FACTS

FOR THE PEOPLE

Pages from the Record of the Laurier Administration, from 1896 to 1908

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☞ ***KEEP THIS BOOK FOR FUTURE REFERENCE.***

INTRODUCTION

The Liberal Party came into power in 1896 on the strength of its policies and promises as set forth to the people of Canada during its 18 years of opposition.

It has been in power for nearly twelve years and the Electorate will soon be called on to pass judgment upon its record.

What then were its promises, and how has it fulfilled them?

It pledged itself among other things:—

To lighten the burden of taxation, which it declared to be "grievous."

To reduce the expenditure of the Country, which was "monstrous."

To diminish the public debt, which was "viewed with alarm."

To eliminate the principle of protection, to obtain reciprocity with the United States of America, to secure for us a mutual preference with Great Britain, and open new markets abroad, to lop off over-expenditures in the civil government, to diminish the number of ministerial positions, to rid the people of the burden of superannuation, to cut down the gross expenditure at Rideau Hall, to draw the poison of the reptile press by destroying the newspaper and printing patronage given to friends of the party in power, to make the civil service more in consonance with the requirements of the country, to abolish bounties, to do away with subsidies to railways, to keep the lands for the settler and away from the speculator. The Senate was to be put upon a new and stable basis, the independence of parliament was to be assured, the purity of the electorate was to be guarded, and the standard of public life in this country was to be elevated.

Has it made good?

The following pages are intended to present certain facts and considerations bearing on this matter, which it is hoped may help the elector to come to proper conclusions.

The Taxation Record

Taxes More Than Doubled by a Government Pledged to Reduce the Peoples' Burdens

A Few Grit Pledges

"We view with alarm the large increase of the annual expenditure of the Dominion and the consequent undue taxation of the people."—Liberal Platform 1893.

"The Government takes $36,000,000 or more in the form of taxation every year—they take it from you, from me, from all the people of the Country—every pound of nails, every axe, every yard of cloth you buy from your merchant is a medium through which you pay to the Dominion Government—If they, (the people) understood, the present Government would be chased out of power as the robbers were chased out of the Temple"—Sir Wilfrid Laurier 1893.

"We are the party of low taxation."—Sir Wilfrid Laurier in 1895.

Taxes Multiplied By Two

Hundreds of such declarations against high taxation and numerous promises of relief, were made by Sir Wilfrid and his Ministers before they took office. What have they given us?

Comparison of taxation in 1896, 1906 and 1908.

	1896 Conservative.	1906 Liberal.	1908 Liberal.
Customs..	$19,833,279	$46,064,598	$57,332,646
Excise....	7,926,006	14,010,220	15,690,400
Total...	$27,759,285	$60,074,818	$73,023,046
Tax per head	$ 5 46	$ 10 00	$ 11 70
Increase 1908 over 1896....		$45,263,761.	or 163 p.c.

Now, let us look at the total taxes collected in ten years under Conservative and under Liberal rule:

Total taxes collected by Conservatives in ten years, 1887-96.....	$287,931,372
Total taxes collected by Liberals in ten years, 1897-1906.....	430,329,802
Excess taken by Liberal over Conservative government.....	142,398,430

So, as regards the amount of taxes, there can be no doubt of the vast increase made. The taxes in 1896 amounted to $27,759,000. Let us see how this amount has been exceeded under Liberal rule:

In 1896 Taxation under Conservatives	$ 27,759,000
In 1897 this amount was exceeded by..	889,000
In 1898 this amount was exceeded by..	1,817,000
In 1899 this amount was exceeded by..	7,199,000
In 1900 this amount was exceeded by..	10,483,000
In 1901 this amount was exceeded by..	10,984,000
In 1902 this amount was exceeded by..	15,630,000
In 1903 this amount was exceeded by..	21,256,000
In 1904 this amount was exceeded by..	25,902,000
In 1905 this amount was exceeded by..	26,261,000
In 1906 this amount was exceeded by..	32,315,000
In 1908 this amount was exceeded by..	45,264,000
Total excess in 11 years above given	198,000,000
Total excess in 11 years and 9 months 1897–1907.....	$228,745,000

The year 1907 was omitted in the table as owing to fiscal changes it was only 9 months. The taxation for that period was $51,565,585 or $23,806,300 more than the whole twelve months of 1896.

Taxation Per Family

In 1901 there were 1,070,747 families in Canada. There are hardly 1,250,000 families now. The number in 1896 was 998,882.

Year	No. of Families.	Taxation per family.
1896	998,882	$27.68
1908	1,250,000	58.88
Increase per family.....		31.20

Our Daily Taxes

The following comparison of taxation between 1896 and 1908 is easy to understand.

	1896	1908
Total taxation for year.	$27,759,279	$73,023,046
Taxation per week.....	533,827	1,404,289
Taxation per day, Sundays included.....	76,261	200,612

To-day the average Canadian family is paying much more in Dominion Government taxes that it is paying for bread.

Taxation Increased By Higher Prices

As the customs duty is based on the import price of goods the rise in price means an increase in the tax. The duty is added to the cost paid by the importer. He takes his profit on both the invoice price and on the duty. Then comes the retailer who is obliged to take his profit on the increased cost to him by reason both of the higher original price and the higher duty which it causes. Now in ten years the average price of articles used in the daily life of people has increased by at least 40 per cent.

The following table shows that on a purchase of goods valued in 1896 at $100, with the nominal rate of duty unchanged, the consumer will now pay $65.78 more than he would have paid in 1896. The table allows 10 per cent. profit to the importer and 15 per cent. to the retailer.

	Invoice price.	Duty p.c.	Cost to Importer.	Cost to Consumer.
1896.....	$100	30	$130	$164.45
1908.....	140	42	182	230.23
Difference...	40	12	52	65.78

How To Judge Taxation

Hon. Mr. Paterson, Minister of Customs tries to make light of the increase in taxation. But let us apply his own test. In 1894 Mr. Paterson said, referring to the trade tables:

"One of the columns shows the amount of customs duties paid per head of the population. That is the way to measure your taxation. * * * Take the sum last year, it was $4.26 per head.—Hansard, 1894, page 356.

Mr. Paterson was then in Opposition and the Liberal Conservatives were in power. He declared that the amount of customs duty collected per head was the proper measure of the burden. He complained of the rate of $4.26. What has Mr. Paterson to say to this?

Customs taxes, Lib. Con. 1896.....	$3.94 per head.
Customs taxes, Liberal, 1906.....	7.70 " "
Customs taxes, Liberal, 1907–8....	9.20 " "

The Expenditure Record

How a Party Pledged to Reduce Expenditure by Many Millions Increased it by Nearly Seventy Millions, or 165 per cent.

What They Promised

"I promise you that if you put, our party into power we will reduce the annual expenditure by $2,000,000 or $3,000,000 per annum."—Sir Wilfrid Laurier 1896.

"I repeat it now that $38,000,000, let alone $40,000,000 is in my judgment a monstrous sum for the people of Canada to be called upon to provide."—Sir Richard Cartwright.

"I say that it is a disgrace and a shame to the Government that they ask for an expenditure of $38,300,000 a year for Federal purposes. Sir, the thing is utterly unjustifiable."—Sir Richard Cartwright.

Such were the declarations of Sir Wilfrid and his Ministers when they took office. What is their record?

Comparison of Expenditure

	1895–6	1907–8
On current account	$36,949,142	$ 77,500,000
Capital and special	4,753,241	33,000,000
Total expenditure	41,702,383	110,500,000
Expenditure per head	$8.14	$18.00
Increase 1908 over 1896		$68,797,617
Increase per cent		165

Ten years Lib-.Con. expenditure 1887 to 1896	$ 423,358,830
Ten years Liberal expenditure, 1897–1906	655,335,633
Excess in the Liberal period	231,976,802

Our Daily Expenditure.

	Liberal Conservative 1896	Liberal 1908
For the year	$41,702,383	$110,500,000
Per week	801,967	2,125,000
Per day including Sunday	114,566	303,571

The expenditure for the year 1907–8 was $88.40 for every family in Canada.

Ghastly Record of Eleven Years

The following in round figures is the amount by which the expenditure under Liberal rule exceeds that of the last Conservative year.

In 1896 Expenditure under Conservatives	$41,702,000
In 1897 this was exceeded by	1,200,000
In 1898 this was exceeded by	3,600,000
In 1899 this was exceeded by	9,800,000
In 1900 this was exceeded by	11,000,000
In 1901 this was exceeded by	16,200,000
In 1902 this was exceeded by	22,200,000
In 1903 this was exceeded by	20,000,000
In 1904 this was exceeded by	30,500,000
In 1905 this was exceeded by	37,100,000
In 1906 this was exceeded by	41,500,000
In 1908 this was exceeded by	68,800,000

By Departments

The expenditure by Departments for 1907–8 is not yet reported, and 1906–7 was a short year, but the following is a comparison of expenditure between 1896 and 1906 (Public Accounts 1906, pages 61 to 69).

	1896	1906	Increase 1906	Increase per cent
Civil Government	$1,396,628	$1,911,611	$514,983	37
Fisheries	427,251	968,702	541,451	127
Immigration	120,199	842,668	722,469	601
Quarantine	95,247	624,758	529,511	555
Indians	880,408	1,198,350	317,942	36
Legislation	904,688	1,359,916	447,228	49
Marine	1,137,765	4,601,000	3,463,235	304
Militia	1,136,714	4,294,125	3,157,411	275
Interior	1,255,368	3,182,081	1,926,713	150
Public Works	1,299,709	7,484,716	6,185,007	475
Mounted Police	533,014	1,004,079	471,065	90
Justice	1,143,497	1,699,242	555,745	49
Agriculture, Arts and Statistics	333,042	1,365,643	1,032,601	310
Miscellaneous	172,364	946,037	773,673	449
Pensions	86,080	179,023	92,943	108
Collection of Customs	896,332	1,548,384	652,052	72
Trade and Commerce	9,463	63,625	54,162	573

Future Expenditure.

If the recent increase of expenditure is startling that of the immediate future is still more so. The fiscal year 1908-9 began on April 1st, 1908. The main estimates for the year were brought down early in the Session and large supplementary estimates follow. The main estimates compare as follows with those of 1907, the year of which we have been speaking..

	1907–8	1908–9	Increase
Current expenditure	$ 67,391,179	$ 76,871,471	$9,480,292
Capital expenditure	38,298,340	42,365,620	4,067,280
Total	105,689,519	119,237,091	13,547,572

There will probably be a corresponding increase in the supplementary estimates and in the total expenditure of the year. The expenditure of the year 1907-8 was $5,000,000 larger than the main estimates, and on this basis we may look for an outlay in the year beginning with April 1908 of at least **$124,000,000,** This gives us the following amazing table of expenditure.

1896	$ 41,702,383
1908	110,500,000
1909	124,000,000

Mr. Fielding's budget statement indicates that the expenditure for this year (1908–9) will be even larger than $124,000,000. At the same time he expresses the belief that the revenue will be under $90,000,000, or $6,500,000 less than in the previous year, and $34,000,000 less than the expenditure.

Time For a Change

Liberal Conservatives do not claim that Canada can be administered without a reasonable increase in expenditures. As the country expands and develops the demands for works and improvements multiply and must be reasonably met.

But with an increase of some 13 p.c. in population, and granting a generous response to the call for improvements no sane man can justify the headlong reckless rush of the past 12 years.

It has been a carnival of extravagance and worse. Public money has been lavishly thrown away on works benefitting only private parties, on works meant only for party patronage, on middle men and contractors who contributed to party expenses, on wild expeditions like the Arctic, on unknown companies like the North Atlantic Trading Company, on useless sub-target and unbusiness-like Ross Rifle and Quebec Bridge ventures, on enormous outlays for purely patronage purposes.

The immense taxation has been extracted from the earnings and savings of the toilers—in such sums as stagger the thoughtful elector—**27** millions in 1896 and **73** millions in 1908, and in these eleven years and nine months **$229,000,000** more than would have been taken on the basis of 1896.

And still both taxation and expenditure go up by leaps of millions yearly!

Is it not time to turn over a new leaf? Mr. Borden and the Liberal Conservative party stand for moderate taxation — reasonable expenditure — honest administration.

The latest Government estimate of the cost of the G.T.P. from Moncton to Winnipeg is $63,425 a mile, or **$114,482,125.** The Government carried the Transcontinental bill through Parliament on the estimate of $28,000 per mile, and an undertaking that the whole cost of this Eastern section would not be more than $55,000,000.

The Government Commission selected ground near St. Boniface for the Winnipeg terminals of the Grand Trunk Pacific. Instead of buying the land at first hand at the market price, the Commissioners waited until middlemen Kern and Matthews acquired an option for $99,000. Then the Commission bought from them at $222,000, leaving $123.000 rake off.

The National Debt

Increased $12,000,000 Last Year, With Larger Advances in Sight

When the Liberal Conservatives were in office, Sir Wilfrid Laurier and his present colleagues were greatly distressed over the national debt and the increasing obligations of the country.

At the time of the change of government the net debt was $258,497,432. The increase in the previous ten years had been $31,000,000, or $3,100,000 a year.

In the six years preceding 1896 the increase had been less than $21,000,000, and the Government in that time made reductions in taxes relieving the people of burdens to the extent of $21,870,000.

Had these taxes been retained the debt would have been less in 1896, when the Conservatives left office, than it was in 1890.

More Tax but More Debt.

The Laurier Government took office in 1896. In ten years they took from the people in taxation through the Customs and Excise departments $142,398,430 more than would have been paid on the basis of 1896.

No great national work was carried on during that period. The Conservatives had completed the Canadian Pacific Railway and deepened the canals. Expenditure on the Grand Trunk Pacific had only begun in 1906.

From the pledges given, the country might have expected a great reduction in the debt out of this enormous taxation and the Finance Minister's boasted surpluses.

But this is what happened:

Net debt, June 30th, 1896	$258,497,432
Net debt, June 30th, 1906	267,042,977
Increase	8,545,5455

In the short fiscal year 1906-7 the taxation was still further increased, and the debt was diminished by $3,371,117.

But in the fiscal year 1907-8 ending March 31st, according to Mr. Fielding's statement, the net debt increased no less than $12,000,000.

In round numbers, therefore, we have the following:

Net debt, June 30, 1896	$258,500,000
Net debt, March 31, 1908	275,600,000
Increase	17,100,000

And this in the face of $229,000,000 added to the proceeds of taxation in 11 years and 9 months.

Should be Viewed with Alarm.

For the year beginning April, 1908, Mr. Fieldin anticipates at least $14,000,000 increase of expenditure over the previous year. He expects a loss of $6,500,000 in the revenue. If these things happen there will be in these twelve months an increase of $32,500,000 in the debt. In any case the increase must be much greater than that of the previous year.

Last year's increase in the debt was the greatest for more than 20 years.

Yet it was incurred by a party which "viewed with alarm" an increase one quarter as large, which was caused by a removal of sugar duties and other taxes.

Canadian Trade

As Developed Under Liberal Rule

Imports Increased more than Exports—Our Trade with United States Grows Faster than with Great Britian—We Buy Twice as Much as They Buy From Us—But from Britian Half as Much as She Buys from Canada. Beaten in Trade by Argentina and Mexico—Goods Imported Which Should Be Made at Home

In the twelve years since the present Government took office the foreign trade of Canada, measured by values, has largely increased. In this, the experience of Canada is like that of other countries. The expansion is partly real, due to universal activity in trade following a period of general depression. Partly it is fictitious, represented by the higher prices of goods. Merchandise which would have been valued at $100,000,000 in 1896 is now valued at $140,000,000 or $150,000,000. Since this applies to goods bought as well as goods sold the change brings no particular advantage to the average citizen. But as Canada is to-day buying $100,000,000 a year more than she sells, and giving some kind of notes for the balance, the advance in price is an economic loss to the country at large.

BEATEN BY ARGENTINA AND MEXICO.

Comparing Canadian trade with that of two other American countries we have the following;—

	1896	1906	Inc. p.c.
Canada Imported	$105,000,000	$283.000,000	170
Canada Exported	113,000,000	247,000,000	118
Total Trade.....	218,000,000	530,000,000	143
Mexico Imported	42,000,000	221,000,000	426
Mexico Exported	105,000,000	271,000,000	158
Total Trade.....	147,000,000	492,000,000	235
Argentina Imp..	112,000,000	261,000,000	133
Argentina Exp..	116,000,000	292,000.000	151
Total Trade.....	228,000,000	553,000,000	143

It will be seen that notwithstanding the boasts of the Laurier Government as to the increase of Canadian trade our proportionate gain was no greater than that of the Argentine Republic and much less than that of Mexico. The comparison also shows that both Mexico and Argentina have increased their exports more rapidly than Canada and that while Canada in 1906 was buying more than she sold, these American republics were selling more than they bought.

EXCESS OF IMPORTS.

How goes our export and import trade with the world during the past decade? The following shows how it stood in 1896, comparing imports for consumption with exports:—

Imports.....	$105,000,000
Exports.....	113,000,000
Excess of Exports.....	8,000,000

Take now the table for the last six years:—

Year	Imports	Exports	Balance
1902...	$197,000,000	210,000,000	+$13,000,000
1903...	225,000,000	225,000,000	
1904...	244,000,000	211,000,000	– 33,000,000
1905...	252,000,000	202,000,000	– 50,000,000
1906...	283,000,000	247,000,000	– 36,000,000
1907...	345,000,000	241,000,000	– 104,000,000

These figures show a large and since 1903 increasing excess of imports over exports. Whatever may be said upon the balance of trade theory the fact remains, as stated recently by the Manager of the Bank of Montreal, that this excess of imports represents an obligation which must be met and which has been growing larger with startling rapidity.

In five years ending June, 1908, the excess of goods brought into Canada for use, over Canadian products exported, will amount to $350,000,000, or $280 for every family in Canada.

ARTICLES WE SHOULD MAKE AT HOME.

The following table shows the increase since 1896 of imports in some particular lines. The comparison would be still more striking if the figures for 1907 could be used, but the change in the fiscal year makes this impossible.

Imports.	1896	1906
Breadstuffs.....	$6,417,767	$10,955,499
Brick, clays and tiles..	261,000	1,220,913
Carriages.....	1,410,473	2,525,177
Cement.....	252,882	1,003,022
Cocoa, chocolate, &c...	1,049,433	4,462,095
Twine of all kinds.....	261,032	2,013,091
Cottons.....	5,229,059	10,745,206
Earthenware.....	568,393	1,674,817
Fish and their products.	947,088	1,996,527
Flax, hemp, and mfs. of.	2,745,582	5,212,231
Gloves and mitts	636,618	1,167,094
Hats, caps and bonnets.	1,485,742	2,690,839
Leather and mfs. of....	1,243,113	3,031,569
Brass and manufactures	542,874	1,938,169
Copper and manfs. of..	295,054	3,102,736
Agricultural implements	469,875	1,615,123
Iron and steel manfs...	10,203,052	44,975,607
Minerals & manfs. of...	14,550,251	59,839,930
Paper and manfs. of...	1,002,434	3,176,955
Provisions.....	1,228,041	3,189,704
Vegetables.....	298,861	936,154
Wood and manfs. of...	2,904,196	8,656,370
Manufactures of wool...	8,773,857	17,892,398

This table deserves attention. Canada is a food-producing country, yet it nearly doubled its imports of breadstuffs in ten years. Cement is one of our natural industries and the importation is nearly quadrupled. The Canadian twine industry has remained stagnant in spite of the greatly increased demand, whilst imports have increased eightfold. Our cotton factories are not getting their share of the increased business and imports have doubled. We have more than doubled our importations of leather goods. While we talk of shipping agricultural implements to France under the new treaty, we have trebled our imports of those articles. We are sending pulpwood to United States and importing three times as much paper as we did twelve years ago. Our imports of wood manufactures have increased threefold and while our woollen industry is having the struggle of its life, imports of woollen goods have more than doubled.

WHAT SORT OF PREFERENCE IS THIS?

Consider next our trade relations with the United States and with Great Britain. While we profess

to give the Mother Country the preference over foreign nations our tariff is so adjusted that the average rate on goods imported from the United States is much lower than on imports from Great Britain. In 1906 the average rate of duty on all goods imported from the two nations was as follows:

On British Goods.....	19 per cent
On United States Goods.....	13 per cent

Comparison of Imports :

	1896	1906	Increase p.c.
From G.B	$32,800,000	$69,100,000	110
From U.S.....	53,500,000	168,700,000	209

Thus our imports from the United States have gained proportionately nearly twice as much as those from Great Britain.

Comparison of exports:

	1896	1906	Increase p.c.
To G.B.....	$ 66,600,000	$133,000,000	100
To U.S.....	36,400,000	88,000,000	141

We have therefore, this state of affairs. Great Britain and the United States have made about the same increase in their purchases from Canada, if we omit exports of gold dust and gold bricks to the United States. But while Canada has doubled the value of imports from Great Britain she has multiplied by three the imports from the United States.

Notice the balance of trade with the two countries.

We bought from Britain in 1906.....	$ 69,100,000
Great Britain bought from us	133,000,000
Excess of British purchases.....	63,900,000
We bought from the United States. .	$168,700,000
United States bought from us.....	88,000,000
Excess of Canadian purchases.....	80,700,000

That is while we buy from Great Britain about half as much as we sell to that country, we buy from the United States about twice as much as we sell to them.

Here are the figures for ten years for merchandise imports and home product exports.

Bought from the United States.....	$1,137,320,453
Sold to the United States.....	584,528,464
Bought more than we sold.....	552,791,989

The excess of goods purchased from the United States over exports to that country in the last ten Conservative years was $167,841,393, or much less than a third of the amount in the ten Liberal years.

This is the way that the Government has carried out its promise to divert trade from the United States to Great Britain. How much preference is there in this? We have abolished duties on some articles imported from the United States but on none imported from Great Britain. Yet from 1896 until to-day the United States has not made a single tariff concession of any kind to Canada.

NO NEW FOREIGN MARKET

The Laurier Government has not opened to Canada a single new foreign market. It has closed to Canada the market of Germany, the second best in the world for Canadian staple products. It has made a treaty with France from which even the Minister of Trade and Commerce declares that he expects little benefit, since France retains high protection on all articles that Canada would be likely to sell her. But this treaty gives at the same time to twelve countries the same terms in the Canadian market that it gives to France, and obtains from them no concession whatever.

The Government made a preferential tariff, open to all the world on equal terms. When international difficulties arose this preference was, contrary to the original design of the Government, limited to British countries. Twice afterwards it was increased. Then it was reduced. Next it was opened to unknown contingencies by the Intermediate schedule rates, and finally it was again modified by the French treaty. To-day there is no preference on some articles, and the whole preference programme is thrown into utter confusion.

RATE OF TAXATION—THE BOUNTY BUILDERS

The Liberals are fond of declaring that the rate of taxation for protective purposes was very high under Liberal-Conservative rule and has been very much lowered in their time. Such is not the fact.

And it must also be remembered that they have paid vastly more bounty to manufacturers for purposes of protection. The trick has been to reduce certain customs duties and make up the consequent loss of protection by paying bounties to the manufacturers. Clearly then the bounties should be added to the customs duties in order to show the real incidence of protection. The following table shows the customs rate on dutiable imports as given in the Government tables.—the amount paid in bounties, and the rate based on both customs and bounties.

		Duty alone p.c.	Bounty paid	Duty plus bounty
Average	1879–1896	28.62		
	1897	29.96	$ 86,894	30.11
	1898	29.22	240,814	29.54
	1899	28.65	356,774	29.05
	1900	27.63	356,112	27.97
	1901	27.42	498,020	27.90
	1902	27.26	791,089	27.93
	1903	27.06	1,406,185	28.09
	1904	27.42	1,130,041	28.25
	1905	27.69	2,234,685	29.16
	1906	26.83	2,400,771	28.22
	1907 (9 mos)	26.35	1,581,944	27.38
Average.....	1897–1907	27.68	$1,007,325	28.51

From this it appears

(a) That the average rate of customs taxation on dutiable goods during the 18 years of Liberal-Conservative (protection) rule was 28.62 percent.

(b) That this average rate during 10 3-4 years of Liberal (free trade?) administration was 27.68 percent a reduction of 94-100 of 1 percent !

(c) That taking in the bounties—paid solely for protection by the Liberals—their average rate was 28.51 per cent or a reduction of only 11-100 of one per cent ! !

(d) That the Liberals have during their regime paid out the enormous sum of $11,083,329 in bounties which they, when in Opposition, denounced as immoral.

The Liberal-Conservatives introduced the system of paying bounties on steel and iron, as a temporary inducement and aid to the industry in its initial stage. They relied, however, on the customs duty to create the home market and establish the industry on permanent foundations.

The Liberals vehemently denounced bounties as the most vicious and unrighteous form of protection. In practice they have extended the system to various forms of steel, to oil, lead and binder twine and appear to rely upon them to establish permanently the industries. In Opposition the Bounty system was public robbery; in power it is a beneficent policy!

The Middleman

Expenditure Swelled by Rake-off

A Few Sample Transactions Showing How the Government Favors the Go-between. Land Deals, Lighthouse Supplies, Militia Expenditures, Public Works and all Branches of the Public Service Pay Tribute to the Intermediary. No Wonder the Expenditure and Taxation are Increased.

Total Expenditure :

1896	1906	1907-8
$41,702.383	$83,277,641	$110,500,000

This would be an enormous increase of expenditure if every dollar of it was paid for actual service performed. But it is not so expended. A large proportion goes to the middleman. The great spending departments have a strong aversion to dealing at first hand with the regular trade. Each has its group of intermediaries, who obtain their rake-off from the business done by the Government. Some of these transactions have been exposed during recent sessions. Inquiry into others has been headed off by obstructive tactics and extraordinary rulings of the Government majority. The following are among the examples that have been brought to light in spite of these difficulties.

The Moncton Land Deals

In 1904, Mr. Matthew Lodge of Moncton, N.B., an active campaigner for Hon. H. R. Emmerson, Minister of Railways, and closely associated with him in business, visited the Minister at Ottawa, and told him that certain properties at Moncton could be purchased for the Intercolonial Railway. Mr. Emmerson communicated with the Intercolonial General Manager on the subject, and Mr. Lodge engaged an agent to secure options on certain lots. These Mr. Lodge bought, and within 25 days after his purchase transferred them to the Railway Department at a profit of 167 per cent. above all expenses. The Government could have employed the same agent, and bought the properties at the same price that Lodge paid, thus saving the people $8,500 on a purchase of $13,880. Following is a statement of the price paid by Lodge and by the Government for each of these four lots: (Public Accounts Committee, 1906)

	Price paid by Lodge	Price paid by Government	Rake-off
No. 1	$3,050	$ 6,300	$3,250
No. 2	925	3,300	3,275
No. 3	1,000	3,930	2,930
No. 4	100	350	250
Total	$5,075	$13,880	$8,805

In the next year the department required more land at Moncton, and again Lodge knew beforehand exactly what was needed, and through the same agent bought the property from the original holders and sold it to the Government. This deal worked out as follows:

Lodge paid for land and expenses, $8,300.
Government paid for land, $10,490 plus expenses.
Rake-off for Lodge, $2,190.—(Report Public Accounts Committee, 1907, page 89)

The Halifax Land Deal

Increased accommodation was required at Halifax for a round house and shops for the Intercolonial. The middleman in this case was Hon. B. F. Pearson, M.P.P., a member of the Nova Scotia Administration, and proprietor of the Halifax Chronicle and St. John Sun, government organs in Nova Scotia and New Brunswick. Associated with Mr. Pearson was Mr. Henderson, owner of one lot of the land required and in a convenient position to purchase the rest. In January, 1905, the Deputy Minister of Railways, with the General Manager of the Intercolonial and other officers, visited the spot selected, and on the 9th of March the Deputy wrote to the Minister recommending the purchase of certain lots at the earliest possible moment. He also advised that " it should not be known that the railway is desirous of securing this property until the purchase is closed."

But, strange to say, at the time of the Deputy's recommendation, Mr. Pearson and his partner were obtaining options on the identical lots required, and by the 6th of April they completed the purchases.

The Government then went through the form of valuation, appointing a relative of the Minister for that purpose. Though this valuator went on the properties within a week after Mr. Pearson and his partner had purchased them, he made no inquiry as to transfers or prices paid, but fixed the value on an average 144 per cent. higher than the price for which the lots had been sold in the open market six days before his arrival. The Government purchased on this basis, with the result that Mr. Pearson and his friend made $26,812 clear profit on an investment of $18,588. In fact they did not invest quite $4,000, as they did not pay the other $14,000 until after they had sold the land to the Government. The following table shows the prices paid by Mr. Pearson and his partner, the price paid by the Government and the profit on each lot:

	Pearson paid	Govern't paid	Profits	Per cent Rake-off
Lot 1.	$ 500	$ 2,500	$ 2,000	400
Lot 2	2,500	3,200	800	32
Lot 3	4,000	7,300	3,300	82.5
Lot 4	3,099	3,150	51	2
Lot 5	7,289	27,100	19,811	272
Lot 6	1,200	2,050	850	71
Total	$18,588	$45,400	$26,812	144

The real profits are somewhat larger than this, as Mr. Henderson retained a portion of land, and in his testimony before the Public Accounts Committee he swore that he paid $14,196.21 to Mr. Pearson as his half of the net profits.—(Report Public Accounts Committee, 1907, page 487.

The Kentville Rifle Range

The next case is in the Militia Department. B. H. Dodge, M.P.P. of Kings County, N.S. (Sir Fred. Borden's constituency), learned enough to buy up from various owners a quantity of land near Kentville just before the department took it over for a rifle range. Mr. Dodge acquired exactly the land the Government wanted, exactly at the time the Government wanted it, and no more than the Government required. The following table shows how it worked out : — (Supreme Court Reports).

Dodge paid	$ 6,978.40
Dodge got	12,460.00
Rake-off	$5,841.60

A Printing Rake-off

We go back to Mr. Pearson. This gentleman received in the two years and nine months ending March, 1907, $28,618 for Intercolonial Railway printing, given out to the Halifax Chronicle and St. John Sun. Neither of these papers has a job printing office, and the work is farmed out to St. John and Halifax establishments. It has not been contradicted that Mr. Pearson's " commission " is 25 per cent. The printer would do this work for the Government at the same price as for Mr. Pearson, so the commission is simply a present. During the fiscal year 1907-8 Mr. Pearson's printing bills appear to have been $16,000.

Pearson got	$28,618
Pearson Paid	21,453
Rake-off	7,155
Present annual rake-off	4,000

Contractor Walberg

A Government contractor now doing a great deal of business with the Intercolonial is Mr. A. E. Walberg. Mr. Walberg not only builds engine houses, car shops and other structures for the Intercolonial, but stands between the manufacturer and the Government in the supply of machinery and equipment which the Railway Department might easily purchase at first hand. One small sample of this class of operation is furnished in the supply of five hoisting cranes which Mr. Walberg sold to the Intercolonial for $31,900. He paid the manufacturer $26,000 and according to his own statement $1,350 in freight and expenses, the Government admitting the articles free of duty. (Public Accounts Committee, 1908.)

Walberg got	$31,900
Walberg Paid	27,350
Rake off	4,550

Messrs. Fysche and Bazin, Liberal members of the Royal Commission on the Civil Service, show how Walberg was favored by the Marine Department also. (Report, pages 173 to 202.)

The Merwin Contracts

The Marine Department is especially beset with middlemen. For example there is Mr. George T. Merwin, a partner of a New York firm, who sells supplies to the Marine Department, sometimes in his own name and sometimes in the firm name of F. L. Brooks & Co. Previous to 1908 Merwin had received between $800.000 and $1,000,000 in the name of these two firms, the whole, so far as is known, without competition. Conservative members of the committee strove to learn the particulars of these transactions, but Merwin was supported by the majority in refusing to disclose the cost of the lighthouse supplies which he imported for the Government. All evidence of rake-off was shut out by the party majority except as to fifteen articles bought by Merwin from Williams & Wilson, of Montreal and delivered to the Government by the latter firm.

After a notice of appeal to the House, Mr. Wilson of the Montreal firm was permitted by the majority to testify as to the prices paid by Merwin for the articles mentioned below. The price paid to Merwin by the Government is set forth in the Auditor's Report. The following shows the rake-off on these articles.

A Profitable Business

Article	Merwin Paid	Merwin Got	Rake-off
1 lathe	$ 995	$1,250	$ 255
1 pump	1,024	1,550	526
2 stokers	1,880	2,550	670
1 boiler	660	975	315
1 engine	335	960	625
1 engine	265.50	550	284.50
1 hoisting do	770	1,100	330
Pillar shaper	505	800	295
Derrick	756.70	1,250	493.30
1 boiler	660	975	315
1 capstan	390	650.	260
1 engine	262.50	550	287.50
1 boiler	575	852.50	277.50
1 crane	1,640	2,500	860
Solution	1,120	1,500	380
Total	11,838.70	18,112.50	6,173.80

Note.—These are all goods sold in Canada in the regular trade, which the Government could have bought from the Montreal firm at the price Merwin paid, or from the original producers at still lower prices. It was impossible to learn the market price of the other articles, amounting now to over $1,000,000 purchased by the Government from Merwin's firms. But as they were special articles and imported, the rake-off was probably considerably larger than in the above list, where it ranged from 34 to 187 percent. (Public Accounts Committee 1906, page 343.)

Mr. Strubbe's Good Fortune

Another fortunate contractor with the Marine Department is Mr. Charles Strubbe, several of whose transactions with the Government have been subjects of inquiry. One of these was a remarkable deal in mill files. As the Government is not a saw mill owner, an order for 270 dozen files excited curiosity. Inquiry in Committee brought out (with great difficulty) that a firm in France had shipped an order of files and steel to parties in Canada who declined to take them. Mr. Strubbe, who was a great friend of the Minister of Marine, purchased the goods and turned them over to the overnment on the following basis:

Strubbe got	$4,786
Strubbe paid	2,315
Rake-off	2,471

And the Marine department had a supply of files sufficient for nearly a quarter of a century ahead. (Public Accounts Committee, 1906, page 527.)

The Sub-Target Deal

The Sub-Target Company (composed of H. H. Wickwire, M.P.P., Charles A. Panet, private secretary to the Minister of Militia, E. H. Dewart, lately Government Candidate in South Toronto, and several other politicians and officials), made a contract with the Government to supply 450 sub-target machines, with an intimation from the Minister that 550 more would be required. The price paid by the Government for these machines was $250 each.

The contracting Company had no plant and farmed out the contract to a firm at Sherbrooke at $64 each. It was claimed by the Company that the patent right for Canada cost $50,000. This contract works out:

Company got	$112,500
Company paid	28,800
Profit	$83,700
Less price of patent right	50,000
Balance	$33,700

That is to say, on the first 450 the Company got back the whole cost of the patent and $33,700 to the good.

Since the transaction was exposed no further orders have been given, but on the other 550 of the 1,000 mentioned the Company stood to make as follows:

Company would get	$137,500
Company would pay	35,200
Rake-off	$102,300
Plus rake-off on the first 450	33,700
Total rake-off	$136,000

Plus the patent rights and the profits from sales to provincial governments.

The Company is capitalized at $545,000 paid up, but all that the fortunate stock holders put in was $4,500 in cash and notes. Wickwire swore that he gave for his $25,000 stock a note for $500, but was never asked to pay the note. H. H. Dewart, one of the party leaders in Toronto, was solicitor of the Company, transacted much of the business with the Government, and at the time of the Parliamentary enquiry held $50,000 of stock, half of which he got for $500. (Public Accounts Committee Report, 1907, page 391.)

The Universal Supply Company

An influential concern doing business with the Intercolonial as an intermediary is the Eastern Supply Company, incorporated in far off Newfoundland, by the firm of B. F. Pearson, M.P.P., before mentioned, and having its headquarters in his law office, with Mr. Matthew Lodge (of the Moncton land deal) as the representative at Intercolonial headquarters. This concern supplied among other things oil, leather belting, steel, and wheelbarrows to the Intercolonial. Its oil contract was transferred, at a neat rake-off, to the Imperial Oil Company. Its contracts for leather belting were obtained against lower tenders for the same goods, made by the same firm. Its steel contracts were obtained without competition. (P. A. Com., 1906, page 683.)

Too Numerous To Mention

Mention might be made of the land deal in Truro similar to those of Moncton and Halifax; of immigration printing in England amounting to $60,000 farmed out at three times the right price to a magazine agent, belonging to a well-known Canadian political family; of operations of dry goods merchants, druggists, printers, etc., as middlemen in dredging contracts; of the intermediary in land, timber and coal concessions, and even of a dredging inspector at $3 per day who sub-let his job at $1.25 to another Government officer. But the illustrations given show how the middleman in politics increases the public expenditure and the taxes of the people.

The Montcalm Outfit

A Luxurious Ice-Breaker

The Montcalm of the Marine service of Canada is officially described as "a screw steel ice-breaker." She works at breaking ice on the St. Lawrence. Her dining-room outfit, largely silver and cut glass, bought from B. J. Coghlin & Co., of Montreal, is described in the Auditor's report for 1904-5 (part P. page 24). The cost was $2,758.82. It includes the following:—

30 jugs	$ 58.28
6 dish covers	118.00
2 cruets	15.50
2 pickle frames	15.00
2 jelly frames	13.00
2 coffee pots	46.00
2 tea pots	42.00
4 milk jugs	68.00
4 cream jugs	50.00
2 sugar bowls	54.00
6 salts	15.00
30 napkin rings	22.50
3 fruit stands	148.50
3 butters and knives	19.87
3 ice pitchers	60.00
3 trays	33.00
2 crumb brushes	10.50
2 crumb trays	8.00
3 doz. desserts, chased	66.00
3 doz. fish eaters	90.00
2 fish carvers	13.50
2 bread plates and knives	24.50
2 soup tureens	26.25
2 cake baskets	30.25
Afternoon tea, sugar and cream	22.50
2 cheese dishes	32.00
24 nut crackers	27.00
72 forks	49.50
108 spoons	59.25
6 peppers	22.50
4 dish covers	21.62
74 sherry glasses	30.01
72 ruby hock glasses	52.25
70 champagne glasses	42.58
111 tumblers	47.10
Meat and game carvers	30.32
10 doz. spoons	40.00
72 cups and saucers	74.88
72 tea cups	49.68
Cases for fish eaters	12.75
Cases for dessert knives	10.50
3 toasts racks	8.62
6 gravy spoons	9.00

COST OF TWO CENSUSES

Here is a simple comparison of the cost of a similar service performed by the Conservative and Liberal Governments. The census of Canada was taken by Sir John A. Macdonald's Government in 1891 and by Sir Wilfrid Laurier's Government in 1901. Both covered the same area and the increase in population was but little over eleven per cent. The work done was practically the same, except that the census of 1891 was much more accurate. But notice the difference in the cost.

Census of 1891	$ 549,991
Census of 1901	1,184,459
Excess of Liberal census	634,468
Increase per cent	115

The Public Domain

Looted to Make the Favored Rich

Sample Deals in Timber Limits, Land Grants, Grazing Leases, Irrigation Concessions, Town Sites, Fishing Monopolies, and Mineral Rights—Great Days for Burrows, Adamsons, McGregor, Mackenzie and Other Favorites.

"The sales of public lands of the Dominion should be to actual settlers only and not to speculators."—Liberal Platform, 1893.

Here is a definite statement of policy. Loud and long were the liberal denunciations of the former Government because of alleged violation of such a policy.

Let us see how the Laurier Government has dealt with the matter.

The public domain of Canada is rich and varied. There are the vast agricultural lands of the North-West, hundreds of millions of acres to be disposed of as free homesteads or sold to farmers. There are the grazing lands, to be leased under proper conditions. There are the large coal areas and other mineral areas of great value. There are the timber areas—on which the incoming population is to depend for its supplies for fuel and building material. Of these the Laurier Government has been the trustee for the last 12 years. How has it administered the trust?

Let us remember that these properties belong not to Sir Wilfrid, nor to his Government, nor to his party. They belong to the people of Canada, to be administered in their interest, and to be conserved for their future needs.

But the Laurier Government appears to look upon these great franchises as its own party property, to be used for party purposes, and parcelled out to party or personal favourites.

Millions of dollars worth of arable lands, of grazing lands, of timber and coal lands have been sold for a song, or granted practically forever to adherents of ministers. Many princely fortunes have been founded thereon and men have been thereby suddenly lifted from poverty to affluence.

Let us cite a few of the many transactions which took place.

A Saskatchewan Land Valley Deal

About 1900, the rush of immigration and the demand for lands had set in with great force. Buyers were plenty and prices were advancing rapidly. Along the line of railway running from Regina to Prince Albert extended for 115 miles a tract of arable homestead lands. These had been favourably reported upon by the Government agent in 1902. Lands owned by railway companies of no better quality were selling in less eligible districts for $3.50 to $5 per acre in large blocks. Three months after the agent's report the Government, without public notice or competition, sold in May, 1902, 250,000 acres of these lands to a company of which A. J. Adamson, a political adherent and now M.P. for Humboldt, and other party friends were the promoters. The price was made $1.00 per acre—payable one half in scrip (worth probably 25c to 50c on the dollar), with five years to complete payments, and the Company had a range of 750,000 acres out of which to select. The Company was to settle 12 homesteaders on twelve quarter sections in each township of their grant. As these would at once become buyers of other land from the Company, this condition entailed no burden.

The Company possessed the great advantage of giving prospective purchasers a selection from 750,000 acres, or of one homestead out of three.

Though no lands were to be patented to the company until all the conditions were fulfilled, yet J. G. Turriff—a brother-in-law of Adamson, and then land commissioner at Ottawa—issued patents for 150,000 acres without warrant and before the Company was entitled to them. Within a year or so the Company—the speculators—had sold these lands for from $6 to $12 per acre and made a probable average of $8 per acre. This shows the transaction:

The Government—trustees for the People —receive from the speculators	$ 250,000
The settlers buy from the speculators and pay them	2,000,000
The speculators divide as profits	1,750,000

(See Hansard 1906, page 890—1078).

Grazing Lease Deals.—A Slick Game

When the Laurier Government took office they found the policy carried out by their predecessors as follows:

Grazing leases were granted by order in council for a term of years at 2c per acre yearly rental.

They were revocable after two years' notice, and no part of the lands leased were sold to the lessees.

Mr. Sifton as minister made significant changes.

The power to grant leases was transferred from council and given to the minister.

The Minister took power to grant leases irrevocable for 21 years, and to give holders of leases absolute grants of one tenth of the acreage leased at $1.00 per acre, the lands to be selected out of the whole area leased.

One such lease was granted to A. T. Mackie, of Pembroke, son of a Liberal member of Parliament, on Aug. 1st, 1902, comprising 41,288 acres. The practice was then discontinued for two years. Suddenly between April and August, 1905, the bars were thrown down and the following 21 year leases were given: (Hansard 1906, page 4174).

The Lucky Group

Date.	Area Acres.	Grantee.
April 9, 1905	55,747	Brown, Bedingfield & Co.
" 26, 1905	42,777	Geo. Lane.
" 28, 1905	60,000	C. E. Hall.
May 2, 1905	13,794	Glengarry Ranch Co.
" 5, 1905	47,615	Jas. D. McGregor.
" 9, 1905	48,867	A. Hitchcock.
July 17, 1905	1,280	Duncan Cameron.
March 10, 1906	60,381	H. P. Brown.

These with the Mackie lease comprise 371,749 acres or 580 4-5 square miles. Immediately after the granting of the above leases the bars were put up, and no more irrevocable leases were issued. The group of speculators, therefore, received exclusive and very valuable franchises. They forthwith proceeded to turn them to their great advantage. The immense value given the leases by the

Minister's three months letting down of the bars, and refusing similar leases thereafter, gave them their opportunity.

A Lucky Two of The Lucky Group

It will be seen from the above table that McGregor and Hitchcock got in while the bars were down. They got a 96,482 acres lease irrevocable for 21 years. They made their selection of 9,452 acres freehold out of this vast area, and straightway sold it for $113,424. They paid the Government $9,452 therefor.

Rake-Off $103,972 ! !

The irrevocable 21 year lease they sold in connection with the irrigation lands (detailed later), and at a rake-off profit of about $230,000. But McGregor and Hitchcock, like Oliver Twist, wanted more. A young man named Robins, without connections or capital, suddenly made application on behalf of a company for 380,573 acres of irrigation lands at a net price of $1.00 per acre, to be paid in 5 yearly instalments, and payments not to commence till 1910, and no interest to be paid in the meantime. He was to expend $2 per acre on reclaiming one-quarter of the area.

This astounding application was granted in quick time, and it transpired that the 380,573 acres was destined for the Robins Irrigation Co., of which McGregor held 22 and Hitchcock 77 shares, or 99 per cent. of the whole. Hitchcock and McGregor within six months sold this to a company for $486,000!

How does it come out? McGregor and Hitchcock:

Got from Government		Paid therefor	Sold for
As Freehold.....	9,452 acres	$ 9,452	$113,424
21 years' lease. ..	87,030 acres	1,920	230,000
Irrigation lands...	380,753 acres	Nil	486,000
Totals.....	477,235 acres	$11,372	$829,424
			11,372
Total profit for the speculators....			$818,052

Who were McGregor and Hitchcock, that they should be given this opportunity for immense profits at the Country's expense? They were political supporters of the party, the former an ardent and intimate party worker for the Minister. (See Hansard 1907, page 2491—2726).

The Galway Deal—The Mysterious Brown

On April 27th, 1902, an application for an irrevocable 21 years' grazing lease for 60,000 acres was handed in to the Government signed by H. P. Brown, Montana, U.S., per J. D. M.

This was received in Ottawa **just one day after it** was dated in Montana ! March 23rd, 1902, an order in council passed directing issue of lease and asking for rental, six months, $640.

Twice Brown was written to and no answer received.

December 24th, 1903, though one year and seven months had elapsed and Brown had made no payment and had not been heard from, an order-in-council passed that Brown was entitled to a 21 year irrevocable lease on the ground " that since March, 1902 he had been in possession of said described lands."

On January 4th, 1904, Brown again was written to—no reply. In April and May he was written to again—no reply, no payment.

On January 7th, 1905, a sixth notice was sent Brown that rent was overdue and he must pay up.

All this time, nearly three years—this 60,000 acre tract was held up, though settlers petitioned and bona fide grazers were applying for lease.

In February Mr. Sifton resigned—there was an acting minister, and as Brown had neither answered nor paid, something had to be done.

Then the mysterious Brown appeared in the person of

A. J. Adamson, M.P. For Humboldt

who on July 17th, 1905, wrote from his place in Parliament enclosing an assignment from H. P. Brown, dated Sept. 17th, 1903—22 months previously—said assignment being to the Galway Horse and Cattle Co., though at this date no Galway Horse and Cattle Co. had been incorporated!

At that date Brown (if he ever existed) had not signed any lease nor paid his rental nor answered the repeated calls of the Department.

What was done?

From the new minister Adamson got a revocable lease on condition that he need not pay the back rental. The Government lost the arrear, $2,415.

What next?

Adamson could not negotiate the revocable lease. So Mr. Adamson, M.P. and his brother-in-law Mr. Turriff, M.P. (land commissioner when Brown was being hunted for) persuaded the minister to change the revocable into an irrevocable lease. With this added value it was sold directly for about $20,000 more or less. (See Hansard, 1907, pages 3465 and 3543.)

Timber License Deals

Before 1903 all timber land leases were subject to yearly revision of rental and royalty, were open to revocation for settlement, and adjacent settlers were allowed to cut fuel and building timber therefrom for their own use.

On April 14th, 1903, the minister of the Interior changed all that. The leases were to be renewable year after year " whilst merchantable timber remains on the area licensed," and the privilege to settlers described above was rescinded.

This practically makes the lease irrevocable, and adds vastly to the value.

Since 1896 6,400 square miles or 4,096,000 acres of timber leases have been granted, without proper public competition, the greater portion to speculators, mostly political supporters and favorites of the Government.

Gradually but surely the available future sources of supply through the North West have been given over to and tied up by the fortunate ones.

The Fortunate Burrows

Theo. A. Burrows is a brother-in-law of Mr. Sifton, the late Minister of the Interior. He has had peculiar opportunities of becoming acquainted with timber areas and has been particularly fortunate in acquiring in his own name and in the names of others an immense estate in timber lands. The ollowing is the list, all granted since the Laurier Government came into power.

No. of Berth.	Date Granted.	Area.
814.....	May 30, 1898.....	15 square miles.
827.....	Sept. 4, 1898.....	44 "
966.....		50 "
992.....	Dec. 30, 1901.....	40 "
1,000.....	Feb. 10, 1902.....	5 "
1,001.....	" 10, 1902.....	6 "
1,002.....	" 10, 1902.....	4 "
1,046.....	March 7, 1903.....	40 "
1,047.....	" 7, 1903.....	50 "
1,054.....	April 8, 1903.....	1 "
1,068.....	June 24, 1903.....	5¼ "
1,073.....	July 15, 1903.....	20 "
1,093.....	Nov. 11, 1903.....	12 "
1,094.....	" 11, 1903.....	27 "
1,099.....	" 11, 1903.....	44 "
1,120.....	Jan. 27, 1904.....	15 "
1,191.....	Dec. 7, 1904.....	50 "
1,192.....	" 7, 1904.....	50 "

The total of the areas detailed is 478¼ square miles, but Mr. Burrows holds in all 549 square miles, or 351,360 acres, besides his partnership interest. (Hansard, 1906, page 4178.)

A Fortunate Pulp Company

To the Imperial Pulp Company (ascertained with great difficulty to be composed of Sir Daniel McMillan, Lieutenant Governor of Manitoba, and T. A. Burrows, M.P., before mentioned) have been granted 268,870 acres of timber limits obtained without real competition, selected in the best timber regions from Lake Winnipeg to the Rocky Mountains, and held for speculative purposes. Three lots which cost in the aggregate $12,500 are held and offered at $1,500,000.

To other land speculators (including A. W. Fraser, Ex-President of the Ottawa Liberal Association, Senator T. O. Davis, A. J. Adamson, M.P., Alexander Smith, formerly organizer of the Government party in Ontario, and certain joint stock companies whose composition is still concealed) have been granted 1,400 square miles or 896,000 acres of selected North-West timber. These grants with the others above mentioned comprise two-fifths of the whole of the timber supply in the West. The holders are not operating their limits but are keeping them for speculative purposes.

The speculators will make many millions out of the above timber limits.

The settlers are dependent upon them and will have to pay the price.

The Malcolm Mackenzie Deal

The Blairmore Townsite transaction is startling in its way. Situated on C.P.R. near Frank, with a now prosperous village upon it, and valued at from $100,000 to $200,000, this property is owned by Malcolm Mackenzie, an unsuccessful candidate for the Dominion in 1904, and now a Liberal, M.P.P. in the Alberta Legislature. This valuable property—belonging in 1901 to the people of Canada—was handed over to Mackenzie for $480, on the basis of an assignment by an Italian who claimed to have squatted on it. Lyon, another former employee of the C.P.R., put in a claim to the property as a squatter. J. G. Turriff, then land commissioner, issued the patent to Mackenzie in the face of protests and evidence presented by Lyon as to the Italian's false claim.

Lyon got a fiat from Hon. David Mills, Minister of Justice, and went before Justice Burbidge of the Exchequer Court to void the Italian's claim. The case was referred to Judge Wetmore, who reported that the Italian's claim was based on " statements fraudulently made with the intention of influencing the minds of the officials."

Judge Burbidge was ready to give judgment and cancel the patent. Then Mr. Sifton wrote the Minister of Justice, asking first for delay, then that the fiat be withdrawn, and finally statlng that the Department did not wish to withdraw from the sale made to Mackenzie.

The Minister asked the court to dismiss the action without costs. Mackenzie holds the property.

The salient facts are:

1. The Italian's claim was false and fraudulent.
2. Lyon's claim was not upheld by the court.
3. Mackenzie's assignment from the Italian was worthless.
4. The land therefore belonged to the people of Canada.
5. Mr. Sifton, knowing all the facts, interfered with the process of the courts.
6. He then confirmed Mackenzie's title, based on a fraudulent assignment, and gave him for $480 a property worth at the time from $100,000 to $200,000.

Thus again does the country lose and the speculator thrive!—(Hansard 1907 pages 6522-6617).

The Fishing Resources Also

The above are samples of land grants to favorites. But land does not satisfy all. The lakes, rivers and bays of the northern and western country abound with fish, and exclusive rights to fish in these waters have been granted for long periods, up to twenty-one years, to the following among other monopolists, one of whom is said to have sold out for $250,000. (See Hansard 1907, page 1684).

Grantee.	Name of Water and Time.	Extent.	Price per annum
Coffee & Merritt	Cumberland Lake.....5 years	166 sq. miles.	$100.00
	Namew Lake ..... " "	66 "	
Coffee & Merritt	Cedar Lake.....5 years	285 "	100.00
	Moose Lake..... " "	552 "	
	Cormorant Lake..... " "	141 "	
	Atikaneg Lake..... " "	90 "	
F. H. Markey	Nelson River with its tributaries, and the whole estuary on Hudson Bay extending 100 miles on the coast and to 3 miles from shore. 21 years...		10.00
	Hays River. 21 years.....		
	Pigeon River. 21 years.....		
	Great Slave Lake. 21 years.....	10,719 "	
Capital City Canning Co.	Exclusive net fishing for salmon in tidal waters of Cowichan River and Bay inside Serpentine Point. 9 years.....		50.00
J. K. Mackenzie	Lake Athabaska for 9 years.....	2,812 "	10.00
	Lesser Slave Lake for 9 years	480 "	
Arch. MacNee	The fishing waters around James Bay on a coast line of 150 to 200 miles, with all the tidal rivers, for 21 years.....		10.00

Costly Immigration

Evils of the Bonus System—Stuffed Immigration Lists, Country burdened with unsuitable Immigrants and Service overloaded with Officials, systematically robbed by Bonus Contractors, and hundreds of thousands wasted in subsidizing the Party Press.

Canada like all young and richly endowed countries has much to gain from suitable immigration. She needs population and can afford efforts to procure the right kind. Capable and worthy settlers from the United Kingdom and the United States, from France and Northern Europe are acceptable. These are usually intelligent, industrious, understand popular Government, love freedom and at once undertake the duties of citizenship. But from the best nationalities a careful supervision should eliminate the paupers, diseased, criminal and shiftless elements, allowing entrance only to settlers capable of making their own way and likely to be a source of strength rather than of weakness and danger.

What has been the course of the Laurier Government in respect to immigration?

In the first place it has increased the expenses to a startling degree.

Cost of Immigration

1892 to 1896 average yearly	$175,274
1897 to 1901 " "	304,761
1902 to 1906 " "	739,513
9 months of 1906-7	611,200
Appropriated for 1907-08	1,075,603

Much of this enormous outlay is wasted in maintaining an army of officials in Canada and other countries, many of them inefficient, nearly all appointed as rewards for party services or to serve some political purpose, or because they are relatives of ministers and members. Some are still active campaigners both on and off duty, and very few in the outside service have been engaged because of any special fitness for the work.

The Press Fund

For printing and advertising there was paid (See A. G. report) :

1903–4	$217,896
1904–5	234,775
1905–6	235,244

A large part of this money was paid to Government organs throughout Canada as a part of what Sir Richard Cartwright used to call "the reptile fund." For example the Winnipeg "Free Press" was paid in 1905, $17,413 and in 1906, $30,230 for one issue of the paper in each year.

There were also large payments in England.

These printing and advertising contracts include some questionable transactions. For example commissioner Preston paid $60,000 for alleged printing in London to Roy Somerville, son of a former Liberal member of Parliament, whom Preston found employed in London as agent of a fashion magazine. Somerville had no printing plant but farmed out the work. In Mr. Preston's absence the secretary of his office informed the Government that $14,500 had been paid for work that could have been got for $4,500. On Preston's return he dismissed this secretary, but investigation in the Public Accounts Committee supported the charge made by the officer, who has since been restored to the position and paid his full salary for nearly two years he was out. (Pub.A .C. Committee report 1906, page 223).

Bonuses for Immigrants

The Government is paying vast sums in bonuses for immigrants. During the last four and a half years the following amounts have been paid for this purpose:

In 1903–4	$99,921
In 1904–5	98,685
In 1905–6	121,689
In 1906–7 (9 months)	89,707
In 1907–8 (9 months)	123,079
Total	$533,081
Paid from 1897 to 1903	251,533
For the 10½ years	$784,614

Of this amount 33 per cent. was paid on immigration from Great Britain and Ireland, 57 per cent. on immigrants from the European continent, and 10 per cent. on those from the United States.

North Atlantic Trading Company

No less than $367,245 was paid in bonuses to a single concern called the North Atlantic Trading Company, with which a contract was made in 1899 by Deputy Minister Smart and W. T. R. Preston, then Commissioner of Immigration. No one is allowed to know who were the responsible persons in this company. The Government refused to disclose their names. The company was not incorporated for more than five years after the contract was made and meanwhile used a bogus corporate seal. Its charter was secured in the Isle of Guernsey, while the headquarters of the company was in Amsterdam. The solicitors for the incorporators were A. E. Alexander, son-in-law of Commissioner Preston, and the formal incorporators were relatives, clerks and friends of this solicitor. To this mysterious corporation the Government at first agreed to pay a bonus on all agricultural immigrants over 12 years of age from Continental Europe, a few countries excepted, of 17 shillings and 6 pence per head up to the number of 10,000; 20 shillings per head from 10,000 to 15,000 and 25 shillings for all over 15,000, all in sterling money.

This agreement was interpreted to make the bonus payable on all agricultural immigrants of all ages. Questioned by Mr. Barker in Committee Deputy Minister Smart gave the following testimony.

Q.—Would you call an infant on the breast one that came within these words "coming here as an agricultural immigrant."
A.—Yes.
Q.—With the intention of settling in Canada?
A.—Yes.
(Public Accounts Committee Report 1906, page 67).

This Company was paid its bonus on all immigrants of the alleged agricultural class whether it had any connection with their coming or not. It was paid on independent settlers who came of their own accord, on hundreds of Hebrews brought out by the Hirsch Association and undoubtedly on thousands every year who never came at all, and on thousands who came manifested to Canada

and proceeded to the United States. The following are payments made to this Company.

1901–2	$33,482
1902–3	34,553
1903–4	38,933
1904–5	77,482
1905–6,	56,287
1906–7	24,333

In addition payments were made to the Company for advertising and other purposes, bringing the total up $367,245. After all these payments had been made, and after the whole tranaction had been exposed in the committees, so far as the Government policy of concealment allowed, the Minister of the Interior found himself forced to cancel the contract, which he did on the alleged ground that the company "did not carry out the agreement in good faith."

The Bonus Continued

But the policy of bonuses has been continued. In January 1908 the bonus on immigrants from the European continent. which had been 10 shillings for adults and 5 for children, was doubled. The same bonus is now paid on these foreigners as on immigrants from Great Britain and Ireland. Government agents are paid $3 for each man, $2 for each woman and $1 on each child of the farming class brought from the United States.

Grounds of Challenge

The Opposition challenges the Government policy and practice respecting immigration on the following and other grounds:

Immense sums are wasted on the maintenance of officials and employees many of whom give little or no value.

There is enormous waste and corruption involved in subsidies to the party press.

The time has come to abolish altogether or to restrict to very narrow limits the payment of bonuses. The best and most desirable immigrants are those who come to Canada without inducement of any sort and who settle upon the land, whereas those who are persuaded by agents, or procured by the payment of bounties are usually the least independent, the least capable, and the most likely to gather in the cities and become a burden upon public charity. The United States get all the immigrants they want, not only without paying bonus but in the face of a tax on all immigrants of $4 per head, and of the most rigid medical examination and inquiry into their character, capacity and means of support.

The Government has been entirely too lax in the admission of undesirable immigrants. It has admitted and even paid for immigrants who could not maintain themselves and were physically and morally unsuitable. It has allowed agents to send to Canada artisans and mechanics for whom there is no work and who will not farm. For instance, it brought to this country 7,500 Doukhobors, who have cost the Dominion about $75,000, and have been and still are a cause of anxiety and trouble to the community.

The Government has miserably failed to deal in any adequate or consistent way with the problem of Oriental immigration.

The Lost Immigrants

Lastly, it is proved by official statements that the number of immigrant-settlers is far below that claimed by the Immigration Department. The Government claims an immigration from January, 1898, to January, 1908, of 1,170,000. It is doubtful if 60 per cent. of that number can be found today in Canada. Apply the test of the census of 1906 in Manitoba, Saskatchewan and Alberta with the claims of the Department. On December 17th, 1906, and January 14, 1907, the Minister of the Interior, replying to Mr. Lake, gave a statement of the number of immigrants who had arrived in Canada in the 5¼ years ending June 1906, and the number of these who had settled in the three Western provinces. The following are the figures :

1901 to 1903	141,671
1904	75,308
1905	74,676
1906	90,553
Total	382,208

Now the census of 1906 gives the number of persons found in Manitoba, Alberta and Saskatchewan, who had come there from January, 1901, to June, 1906, a period three months longer than that covered by Mr. Oliver's statement. Here are the figures, giving the year of their arrival:

1901	17,069
1902	33,104
1903	50,115
1904	40,228
1905	44,552
1906	48,389
Total	233,457

Here is a loss of 148,751 alleged settlers in the West, more than one third of the total number. If we allow for the additional three months in the census period the loss will be over 40 per cent.

The Same in Ontario

Another illustration is afforded by a return of farm labourers and their families represented as having been placed in West Kent by immigration agent James S. Waugh. The number returned as so placed with farmers was 628, representing 265 single persons or families for whom he received $2 per head, or $1,256. It was charged in Parliament by the Member for the riding that these returns were incorrect or fraudulent, and the Immigration Commissioner sent out inquiries to the farmers with whom these agricultural immigrants were supposed to be located. Replies concerning 117 of the 265 were received, It was found that 44 of the 117 were never heard of by the men returned as having employed them, and that 17 others were not farm labourers but sought work in some trade, and 13 either did not go to work at all or quit within two or three days. This small return had been stuffed by at least 40 or 50 per cent or about the same proportion as that of the Western settlers.—(See Return to the House).

It may be safely stated that the number of immigrants who have settled in Canada in the last ten years and who are annually settling here is not more than 60 per cent of the number claimed by the Immigration Department, while a large proportion of those who come are unsatisfactory and dissatisfied immigrants, some of them allured by false pretences, some incapable of making a living anywhere, and far too small a proportion able and willing to go upon the land and assist in the development of the country.

Japanese Immigration

A Startling Record of Diplomatic Blunder—A National Surrender.

Conservative Government Guarded the Right of Restriction—Laurier Administration Admitted Japanese of All Classes Without Restrictions.

Reckless incapacity manifested in absurd blundering signalizes the Government's treatment of this question. It is worse even than the results of their treaty-making negotiations with the United States. In that case they utterly failed in their attempt to secure a treaty, begged Great Britain to undertake the task, assented to everything that she proposed and blamed her for the loss of territory which ensued. In the case of Japan they undertook to act on their own initiative, notwithstanding the warnings of Great Britain, and thus plunged the country into a series of difficulties from which we have by no means escaped.

British Treaty Left Canada Free

Japan negotiated treaties with Great Britain and with the United States in 1894. They were in practically the same terms with a few important exceptions, of which immigration was one. The British treaty permitted unrestricted immigration from Japan. The United States treaty reserved the right to enact laws with respect to laborers coming from Japan to that country.

The British treaty did not bind Canada or the other self-governing dependencies, but they had the right to assent to it at any time up to 25th August, 1896, afterwards extended a year.

Conservative Government Guards Immigration

In 1895 the treaty was forwarded to the Canadian Government for their consideration. Although at that time there was no agitation or general apprehension on the subject, the Conservatives (then in power) foresaw that unrestricted immigration from Japan might be a serious menace to this country. They also realized that a treaty, perfectly suitable for Great Britain, might be dangerous for Canada. Therefore, by Order-in-Council of August 3rd, 1895, they refused to assent to the treaty unless Japan would agree that Canada should reserve and retain full control of the immigration not only of laborers but of artizans from Japan.

The position which Canada thus assumed was adopted by all the self-governing dependencies except Newfoundland and Natal. This dignified and patriotic attitude would have been maintained if the Conservative Government had remained in power. But ten years later despite warnings from labor organizations, from Royal Commissions, from British Columbia, from the British Government itself, Sir Wilfrid Laurier trampled under foot every reasonable safeguard, and threw wide open the gates of the great western Provinces.

On February 7th, 1896, Japan agreed to Canada's proposal respecting laborers, and on the 8th October, 1896, Japan finally agreed that Canada should also control the immigration of artizans. It only remained to consummate the treaty thus modified.

Laurier Government Sees No Danger

But, meantime in July, 1896, the present Government had come into power. They passed various Orders-in-Council, which utterly ignored the dangers of immigration, but advanced certain absurd trade reasons for not accepting the treaty. They persisted in this even after Japan in October, 1896, had offered to modify the treaty by conceding to Canada full control over the immigration of laborers and artizans.

Warnings as to the dangers of such immigration multiplied between 1896 and 1905. These were emphasized in 1900 by Mr. (now Judge) Morrison who pressed for the enactment of a restrictive law. In reply Sir Wilfrid Laurier insisted that Japan was exercising all necessary control. The Report of the Royal Commission in 1902 contained an equally emphatic warning.

Mr. Fisher's Deceptive Assurance

On his return from Japan in 1903, Mr. Fisher, Minister of Agriculture, was interrogated in Parliament by Mr. R. L. Borden, as to the probable danger from this source. His reply was as follows:—

"The Japanese Government itself forbids the emigration of anybody from the country without a special permit and for several years past they have refused to issue a permit to any Japanese to come from Japan to Canada who is a labourer or of the ordinary labouring class. Permits are issued only to merchants, students and travellers. No Japanese can leave his own country without a permit from his Government. The Government there, in accordance with negotiations with our Government, issued orders, I think, about two years ago, that for the future no permit should be given to a Japanese except the classes I have mentioned, to go to Canada, and that has been strictly maintained to the present time. I had the assurance of the Government there, personally and in writing, that that policy would be maintained."—(Hansard 1903, p. 4633.)

It will be observed that Mr. Fisher explicitly declared that he had obtained from the Japanese Government a written assurance that their then policy of restricting immigration to Canada to a mere nominal number would be maintained. The production of this written assurance was repeatedly demanded in Parliament during the session of 1908 and finally Mr. Fisher was obliged to confess that his statement was unfounded and that no such assurance had been given.

Unrestricted Admission of Japanese

In 1905 the Laurier Government suddenly concluded that Canada should become a party to the treaty. This determination was communicated to the British Government who immediately sent a telegram on the 14th July, 1905, to the Laurier Government, reminding them of the modification insisted on by tbe Liberal-Conservative Government in 1895, and inquiring whether they proposed to stand by that policy. The British Government repeated this warning on the 6th September, 1905, but on the 25th September, 1905, the Laurier Government passed an Order-in-Council declaring that Canada desired to assent to and be bound by the treaty "absolutely and without reserve," that is without reserving any control over the immigration of laborers or artizans.

This momentous and unfortunate decision was carried into effect by a new treaty between Great Britain and Japan, dated July 12th, 1906, under which Canada became bound absolutely by the treaty of 1894 without any modification and thus

surrendered all control of the immigration of laborers and artizans from Japan.

Canadian Parliament Deceived

When Parliament was asked in 1907 to ratify the treaty of 1906, the Laurier Government pretended to bring down all the papers relating to the subject; but withheld the Order-in-Council passed by the Conservative Government on 3rd August, 1895, which was suppressed until the Opposition forced its production in the session of 1908.

Parliament's consent to the treaty was obtained by assurances of Sir Wilfrid Laurier that Japan had agreed to restrict most effectually the emigration of her subjects to Canada. His words in 1900 were as follows:—

"Japan and its Government have themselves taken the initiative in this respect and actually restrict emigration from Japan to Canada.* * * * The actual order issued by the Japanese Government restricts the number of emigrants to Canada to ten per month, or one hundred and twenty per year. In face of this condition of things I think my hon. friend (Mr. Morrison) will find that it is not necessary to adopt an amendment which, if adopted might lead to serious international difficulties, and which, if not adopted will not affect the case as the point is covered already by the action taken by the Japanese Government." (Hansard, 1900, page 8207).

He supplemented this in 1907 by making the following declaration:—

"At present the Japanese Government do not allow emigration from their own provinces with the exception of a very few from each province, I think not more than four or five from each Province. That is all the Japanese permit to leave the Empire of Japan and therefore practically there has been no emigration to British Columbia from that country." (Hansard, 1907, page 1551).

Parliament was thus misled by

(a) Sir Wilfrid Laurier's assurances in 1900,

(b) Mr. Fisher's assurances in 1903,

(c) Sir Wilfrid Laurier's reiterated assurances in 1907.

The people's representatives were thus led to believe that no considerable immigration from Japan could possibly arise.

Rush of Japanese Laborers to Canada

The treaty had not been ratified a month before every one of these assurances was absolutely falsified. Japanese laborers and artizans began to pour into British Columbia by the thousands. From January to October, 1907, a period of ten months, 8,125 Japanese arrived at the ports of Vancouver and Victoria.

The Canadian Government, having plunged into the treaty without due consideration and against the warning of Great Britain, now sought the aid of the British Government. Even with its powerful aid Mr. Lemieux, who was sent to Japan accomplished very little. The Japanese Minister for Foreign Affairs addressed to Mr. Lemieux a very polite letter which has been published in the press.

At the Mercy of Japan

That letter

(a) affirmed the full right of Japanese subjects to enter and reside in Canada and expressed the opinion that the Japanese Government would have regard to special conditions in Canada before insisting upon the complete enjoyment of such rights;

(b) declared that the Japanese Government would take efficient means to restrict emigration to Canada and for that purpose would give careful considerations to local conditions in Canada;

(c) expressed regret that the Japanese Government had not found it possible to acquiesce in all the proposals made by the Canadian Government.

The Japanese Government in effect declared that Japan and not Canada must control emigration from Japan to Canada; that Japan would give consideration to conditions in Canada; but that Japan was unable to meet the views of the Canadian Government as to the restrictions demanded.

Surrender Approved by Liberal Majority.

On his return from Japan, Mr. Lemieux made a speech in the House of Commons in which there was much eloquence but very little information. Mr. Borden on behalf of the Conservatives moved a resolution regretting the difficulties into which the country had been plunged. The resolution, which was voted down by the usual Government majority, is as follows :—

"That the ratification of the treaty with Japan in 1906 was almost immediately followed by a great influx of Japanese labourers into Canada;

That in the opinion of this House Canada should not enter into or accede to any treaty which deprives Parliament of the control of immigration into this country;

That this House while expressing its profound appreciation of the friendly intentions and courteous assurances of the Japanese Government and while declairing its sincere desire for the most cordial relations with the Japanese people, desires nevertheless to record its strong protest against a policy under which our wage earning population cannot be protected from destructive invading competition except by entreating the forbearance and aid of a foreign government." (Hansard 1908, p. 2044.)

Ministers Oppose Exclusion

Two remarkable statements were made on this question in the Session of 1908 by Mr. Lemieux, Postmaster-General and Minister of Labor, recent Government delagate to Japan, and by Mr. Fisher, Minister of Agriculture. Mr. Lemieux said:

"The policy expressed by the Leader of the Opposition during his campaign in Western Canada last fall was a policy of complete exclusion. He argued before the British Columbians that if he were in power he would have a white British Columbia, which I understood to mean the exclusion of Oriental labour, and which applied to the case in hand, means the exclusion of the Japanese.

Mr. R. L. Borden.—Might I ask the Hon. Minister whether his policy is not for a white British Columbia.

Mr. Lemieux.—No Sir." (Hansard 1908, page 2145.)

Mr. Fisher in the same discussion said, in reference to Japanese immigration:

"Many of them may come in. I am not so much afraid as some people that many of them will come in. There was an allusion made this afternoon to a proposal to take 10,000 acres of land in the Northwest and cultivate it as a Japanese farm. I do not know that there will be any great injury to the people of Canada to take 10,000 acres of the Northwest which is not highly cultivated and which is not highly productive and place it under Japanese methods of cultivating. I do not know that it would hurt, and I have confidence that if a few thousands, or a few tens of thousands, or I do not hesitate to say, if a few hundreds of thousands of Japanese came into Canada the present Canadian people will still rule this land..... For these reasons I am not so very much afraid of Japanese immigration." (Hansard 1908, p. 2122.)

Discrimination Against British Subjects.

To releave one supposed difficulty the Government in January, 1908. passed an Order-in-Council, authorizing the Minister of the Interior to prohibit the landing of immigrants unless they came by a continuous journey and on through tickets from the country of their birth or citizenship. This had the effect of excluding Hindoos, (loyal British subjects and soldiers bearing the King's medals) coming from Hong Kong while it admitted Japanese coming from Japan. It is difficult to appreciate such a discrimination.

The whole subject is not free from difficulty but the true remedy will be found in energetic efforts to induce the flow of a vigorous and industrious white

population into British Columbia—destined to be one of the greatest Provinces of the Canadian Confederation.

A Patriotic Position

We are bound to respect the treaty with Japan as long as it remains in force. We are bound to accord just and honourable treatment to our fellow subjects throughout the Empire. But one central idea overshadows all others and it has been well expressed by Mr. Borden in a speech delivered at Vancouver, in September, 1907. He said;—

"Let us have a due sense of Imperial as well as "Canadian interests involved; let us appreciate "the sanctity of treaty rights and the respect "which must be paid to a great nation like Japan, "the ally and friend of Great Britain; let us re- "member the importance of trade relations with "both China and Japan. But above all let us never "forget that there are considerations greater than "those of trade or material progress."

"The Conservative party, which brought this "splendid Province into our great Confederation, "will maintain one supreme consideration to "which all others must give way and it is this: "British Columbia must remain a British and "Canadian Province, inhabited and dominated by "men in whose veins runs the blood of the great "pioneering races which built up and developed not "only Western but Eastern Canada as well. And "while recognising our duty to the great Empire "whose flag will always float above us, we respect- "fully maintain that Canada in such vital essen- "tials must be accorded a freedom of judgment as "perfect and unfettered as that already exercised "not only by the other great dominions of the "Empire, but by Great Britain herself."

COSTLIEST GOVERNMENT IN THE WORLD.

In 1900 and 1901 the Government boasted that the Yukon was paying in royalties all that it cost to govern the district. The gold output was $22,000,000, and there were 30,000 people. The expenditure in that year and the next was $1,250,-000 a year, but the revenue was half a million more.

In 1907 the gold output of the Yukon was less than $5,000,000. The population is about 5,000. The total revenue for the fiscal year 1907 (9 months) was $518,000.

But the expenditure was $922,000, or still at the rate of $1,230,000 a year. It cost the country $246 per head to govern that quiet and orderly community. It is the most costly Government in the world.

To govern a population equal to that of a modest town in Eastern Canada there are:

	Salary	Living Allowance	Total
Commissioner with free house	$6,000	$6,000	$12,000
Legal adviser	5,000	1,500	6,500
Registrar	4,000	1,500	5,500
Gold Commissioner	5,000	1,500	6,500
Assistant Commissioner	4,000	1,200	5,200
Assistant Commissioner	2,500	1,500	4,000
Mining Engineer	2,400	1,200	3,600
Secretary	1,800	1,200	3,000
Clerk	2,000	1,500	3,500
Comptroller	3,000	1,200	4,200

With numerous others at $2,000 to $3,000.

Not only is this the most costly Government in the world, but it is one of the worst.

Ross Rifle Contract

Details of a Remarkable Financial Transaction.

Paying a Million Extra for a Home-made Rifle That is Not Made at Home—Government is Banker for the Contractor. Auditor-General Protests, But is Turned Down.

One of the remarkable contracts made by the Laurier Covernment was that of the 27th of March, 1902, with Sir Charles Ross. By this contract and subsequent agreements the Government obtains from the Ross Rifle Company 62,000 rifles, on the following terms.

The Terms

Price $25 each, without bayonet, the Government paying extra for sights, and paying also for gauges to measure the parts for purposes of inspection.

The contractor receives on account, before delivery, payments equal to his whole outlay on material and work for each order of rifles, up to 75 per cent of the contract price, or $18.75 on each rifle.

The contractor is granted at $1 a year rent, a perpetually renewable 99 year lease of over 19 acres of land on the Plains of Abraham, close to the City of Quebec.

The contractor is allowed to bring in all his machinery free of duty.

The contractor is allowed to bring in free of duty all raw material, all partly finished portions, and all completed parts of the rifle which he finds it impossible or inconvenient to manufacture in the factory.

By the contract the company was not to receive advance payments on rifles more than a year before delivery. This provision has been disregarded, and payments have been made on rifles not delivered for more than two years after the advance. When the Auditor-General intervened and stopped these payments, the Government came to the rescue by extending the time of delivery.

Compared with the Lee-Enfield Price

At the time the bargain was made with Sir Charles Ross, Canada was using the Lee-Enfield, magazine rifle, the weapon now used by the British Army, Australia and other colonies. This rifle is still preferred by our own militia, and is used by Canadian marksmen at Bisley, Rockliffe and other competitions.

The cost, delivered in Canada, of the Lee-Enfield rifle, bought from the Royal Small Arms factories, Great Britain, in 1896, when 18,850 were purchased. was $15.75 each. (Statement by Sir Fred. Borden in the House, Hansard, 1908, page 8659.)

At that price the Country is paying 58 per cent. more for the Ross rifle, without taking into account the special privileges granted, than it would cost to equip the militia with the weapon that is considered good enough for the British Army and the other Colonial forces.

Without discussing the merits of the Ross rifle here, it may be said that those served to the Mounted Police, a body under Sir Wilfrid Laurier's own departmental control, were returned to Ottawa as unsatisfactory and unsafe. This was in 1906, and two years later they had not been replaced by other Ross rifles, though 52,000 had been delivered to the Government.

Not a Canadian Rifle

The reason assigned for paying the extra price to the Ross Company for rifles is thus set forth in the Order-in-Council: "It is considered that the rifle required by the Government for the purposes of militia and defence should be manufactured in Canada."

As a matter of fact not a single rifle has been wholly manufactured in this country. The wood is imported. The steel is imported. Many of the parts are brought in from the United States in the state of forgings and several in the finished condition. There is no machinery in the Ross factory to make all the parts of this alleged Canadian rifle, and as stated above the Government offers special inducement for such importation by admitting imported parts free of duty.

Advance Payments and Delays in Delivery

The following record shows how the contractor carried out his agreement as to the time of delivery. The first order was for 12,000 rifles, all to be delivered before the end of 1903. The first delivery was August 26th, 1905, and it was June, 1906, before 12,000 had been received. This was two years and a half behind time. The first advance payments were made March 26th, 1903, two years and five months before the first rifle was delivered, though the contract provided that there should be no advance payments more than a year before delivery. Advance payments on the whole 12,000 had been made before the end of July, 1904, so that $225,000 (less $200) was in the hands of the company nearly two years before the completion of delivery.

The Second Order

Before a single rifle has been delivered on the first order, a second order for 12,000 was given. This was November 22, 1904, and the whole order was to be delivered before July, 1905. Payments in advance began in February, 1905, but not a rifle delivered until the end of April, 1906, and the delivery was not completed until January 1907, more than a year and a half after the date fixed, and two years after the first advance payments were made.

The Third Order

A third contract was made on the same day as the second contract, for 8,000, to be delivered before 1906. The first delivery on this contract was made in February, 1907, a year and two months after the whole were to be delivered, and the order was completed in November, a year and ten months behind time.

The Fourth Order

On the same day, November 22nd, 1904, an order was made for 10,000 to be delivered in 1906, and at the end of the calendar year 1907, one year after the time was up for full delivery, the Government had received 500 rifles. The time of delivery was extended to January 1st, 1908 but at the end of March 1908 only 5,500 had been received. Advances on account of this order began with a payment of $31,016 in February 1906, one year and ten months before the first rifle was delivered, and the whole $18.75 each had been paid in August 1907, many months before the first rifle came to hand.

The Fifth and Sixth Orders

An order was made September 24th, 1906 for 10,000 to be delivered by the end of 1907. None of these had been completed at the end of March 1908. The time had been extended to June 1908. In February, 1908, a furthsr order was given for 10,000 rifles.

The full advance payments had been made before 1908 on the whole of the fourth and fifth orders, so that the Company had received in all on March 21st, 1908 the following sums:—

37,500 rifles at $25 each	$ 937,500
14,500 undelivered at $18.75 each	271,875
Total	$ 1,209,375

Before the first rifle had been delivered the Company had received $426,175, of which $224,802 had been advanced longer than a year.

At the end of December, 1906, the advances for rifles then undelivered amounted to $358,691.

At the end of December, 1907, the advances on rifles were $361,151, of which $178,125 was of more than a year's standing.

The Auditor Protests

On June 3rd 1907, the Auditor-General thought it was time to make protest. He stated that according to the terms of the contract advances were to be made only upon rifles "to be delivered in that year." He pointed out that advances had been paid upon 12,000 Mark 1. rifles to be delivered in 1903, and that only 9,000 of Mark 1. had been delivered four years afterwards; that on the order for delivery in 1904, 3,000 were yet to be delivered on which the contractor had received 75 per cent; that on the order for 1906 delivery advances of $187,500 or $18.75 each on 10,000 had been made and no rifles were yet delivered, five months after the time for the delivery of the whole; that on the order for 1907 delivery advances of $84,941 had been made and $30,000 to $40.000 more was asked, though no rifles had been delivered. The Auditor went on to declare that according to this system the contractor "might go on purchasing raw material and maufacturing parts of the rifle that would not be delivered to the Government in the form of completed rifles for a number of years or perhaps not delivered at all." He added that the advances now amount to $360,000, that the progress estimates might include "an accumulation of manufactured material of no value to the Government," and that the Department might "find itself in possession of material to be consigned to the junk heap for which large advances had been made." The conclusion of Auditor-General Fraser was that if the advances and arrangement of certificates had been made on instructions of the Department "it is not only unbusiness-like but also illegal."

The Government as Banker

The Government met these objections in part by over-ruling the Auditor and in part by extending the time of delivery.

The effect of this arrangement was that the Government was practically financing, free of interest charge, the whole business of the contractor, by making advances running from a quarter of a million to half a million dollars, at a time when the Finance Minister was borrowing money at four and a half per cent and paying up to 6 per cent on his overdrafts.

The total cost of the 62,000 rifles will be approximately as follows.

62,000 rifles at $25 each	$1,550,000
Paid for replacing sights	15,000
Paid Company for gauges for Mark 1....	26,237
Four years' interest on average advances of $350,000 at 4 p.c.	56,000
Total	$1,647,237

Cost of 62,000 Lee-Enfield at $15.75 would have been $976,500.

Excess cost of the Ross Rifle, $670,737.

More to Follow.

And now comes a possible new outlay. It is proposed to dedicate the Heights of Abraham as a National park, and probably this factory will be removed from the grounds, where it should never have been placed. The Government ordered the factory to be built on these heights for party reasons, and the people will have to pay for its removal. Mr. Wallace Nesbitt, K.C., as counsel for Sir Charles Ross, stated that the factory and machinery had involved great expenditure, including the cost of cutting trenches through the rock to establish a system of water works, and that the building and plant were insured for $1,250,000. The public can form some opinion of what the cost will be to remove these works and pay the contractor the damages for compulsory taking.

Whatever the price may be it must be added to the cost of this extraordinary contract, which in the end is pretty sure to involve the payment of at least double price for all the rifles included in the orders so far given.

THE INTERCOLONIAL RAILWAY.

For 11 years the Liberals have been managing the I.C.R.

They were, when in opposition, loud in their denunciation of the deficits, the patronage, the burden of that road.

Canada, they say, has gone from prosperity to prosperity under their administration. Has this Railway shared in the prosperity? It is impossible that it should not. All the other railways have showed results in greatly increased earnings and increased surplus. The Canadian Pacific has gone from a 5 per cent to a 7 per cent basis and over and above these large distributions of profit is accumulating large surpluses and perfecting its system.

In the United States the railroads have had a period of wonderful profit-making.

They extended at large cost the road from Quebec to Montreal and promised large profits therefrom.

Under a business Government we should therefore, expect to see greatly increased profits.

What then do we find? Study the annexed table and see for yourself.

Year	Working Expenses	Gross Earnings	Net Deficit
1893–96	$11,976,720	$11,951,366	$ 25,354
1897	2,925,968	2,866,028	59,940
1898–1903	28,666,378	28,376,018	290,360
1904	7,239,982	6,339,231	900,751
1905	8,508,826	6,783,523	1,725,303
1906	7,581,914	7,643,829	61,915 surplus
10 years 1887–1896	32,170,000	29,497,000	2,672,000 deficit
10 years 1897–1906	54,923,000	52,008,000	2,915,000 "
	1887–1896	1897–1906	
Capital Expenditure	$3,815,266	$23,369,380	

From the above table we see that for the four years 1893-96 under Conservatives the net deficit was only $25,354, or $6,438 yearly.

From 1897 to 1906, under Liberal management, though the earnings were much more, the net deficit under Mr. Blair and Mr Emmerson amounted to $2,914,439, or $291,444 yearly.

From 1887 to 1896 the Conservatives managed the road with a deficit of $2,672,000 while from 1897 to 1906 the Liberals had a deficit of $2,915,000 and it must be remembered that 1892 to 1895 were lean years.

Then bear in mind that during the former 10 years the Conservatives spent only $3,800,000 on capital account, whilst during the latter 10 years the Liberals drew on capital account for the enormous sum of $23,400,000!

If they had not drawn thus largely on Capital their deficit would have been over $26,000,000! What reason is there for this sad condition? Inefficiency—political patronage— overcrowding—reckless extravagance and lack of business management. To quote the words of Sir Wilfrid:—

"The system is vicious, and so long as the Intercolonial is managed on the present system you will never have anything but deficits." (Sir Wilfrid Laurier at Toronto, Oct. 14, 1904.)

The Service Degraded

Improper Appointment and Promotions

The Kind of Service which the Government Deems Worthy of Public Reward

The character of a government may be judged by its appointments to important and responsible public positions. An administration which appoints disreputable or dishonest men to the public service, or retains and promotes officials who have been proved unworthy, cannot be credited with good intentions. The Laurier administration has appointed, kept in office and promoted a large number of persons who should never have been placed in any public position, and whose only qualification for appointment or reward was a kind of party service which reflected discredit upon themselves and upon the party to which it was rendered. The following is a list, by no means complete, and a brief sketch of the public record of officials who have been rewarded and protected by the Government.

Joseph Nixon

For party services Nixon was made land agent and caretaker at Macleod. It was found on investigation in 1905 that in four years preceding Nixon had retained for long periods, various sums of public money. that his accounts were missing or mutilated, dates of payment falsified, and cash receipts not accounted for. The investigation was held by R. E. A. Leach, of "thin red line" fame and was not severe. Nixon threw part of the blame on his son, who was fifteen years old when the offences began, while it was shown that cash payments not accounted for had been made to the father personally. Neither Nixon nor his son was prosecuted and Nixon was allowed to resign on making good the amounts traced to him. Twelve days after Nixon's malfeasance was established and reported to Ottawa, Mr. Oliver appointed him to another office in the Immigration Department at $25 per month, and a fortnight later raised his pay to $75, or the same salary that he had before the investigation.

Philip Wagner

As a reward for party service Hon. Frank Oliver, then a private member, caused Wagner to be made an immigration interpreter, in which capacity he victimized confiding foreigners who fell into his hands. One immigrant handed him money to pay freight on his luggage. Wagner pocketed the amount and the Galician went without his clothes until the Government paid the freight. Afterwards Wagner was charged with keeping for himself money which trusting Galicians had given him to put in the bank or to remit to Europe or to pay for land. Immigration officials suspended Wagner and stopped his pay, but Mr. Oliver interposed and had the payments restored and Wagner's salary increased. Finally several criminal informations were laid against Wagner, of which two for fraud and theft, were carried to a conclusion. Wagner was convicted and served out two terms of imprisonment at hard labor. When he was released Mr. Oliver had him reappointed, at a higher salary than before. Wagner is now receiving $1,200 a year. It was established by sworn statements that while in receipt of that salary he assisted in the last Alberta election by distributing beer and other articles among the Galician electors. These affidavits were sent to Mr. Oliver, as head of the department, but he refused to take action or to make investigation, and retains Wagner in office.

W. J. Dobey

Shortly before the elections of 1904, the P.O. Inspector reported a shortage in the accounts of W. J. Dobey, Postmaster of Thessalon. Investigation revealed a default of over $1,100, which sums the officer was reported to have applied to his own use. The Inspector's recommendation of instant dismissal was carried out, but the member for the county got in his work and the record was changed to one of resignation. Dobey worked hard for the Government in the Federal and Provincial campaigns following, and was then restored to his office, the pay of which he had drawn during the whole period of resignation. The salary of his office is $1,070.

W. T. R. Preston

He needs no introduction. Mr. Preston is known as the constructor and operator of the Ontario campaign machine, the character of which has been revealed by the evidence of Pritchett in the London conspiracy case, by the West Elgin confession, by the Brockville and Huron revelations, by the bogus ballot box episode, and many similar events. After the West Elgin crime Sir Wilfrid sent Preston to England as Chief Immigration Commissioner, salary $3,000, a free house and other perquisites. There Preston evolved the North Atlantic Trading Company, whose operations constitute one of the greatest swindles of modern times and cost the Country $367,245. After Preston's activities had involved the Government in endless disgrace and trouble, and when he was wanted at Toronto to give evidence in the London conspiracy plot, he was sent off to Asia at $3,600 a year salary, with expenses on an Oriental scale.

J. B. Jackson

This Ingersoll lawyer sought evidence against a Conservative member, and was proved to have offered $2,000 to one man to procure such evidence "true or false." He paid $10 to one man and $250 to another who used the money to suborn perjury. The conspiracy was exposed before Mr. Justice Street who from the bench reprobated Jackson's conduct in strong terms. Shortly after this certificate was given, Sir Wilfrid appointed Jackson to the position of Commercial Agent at Leeds and Hull, England—salary $3,000 a year.

R E. A Leach

He was Liberal organizer at Manitoba in the general election of 1904. Under instructions from Ottawa the official voters' lists, printed at the Government bureau, were handed to him by the Manitoba returning officers. Leach sent them back with a red line drawn through 9,399 names, as persons improperly on the list. Leach had no more authority to touch these official lists than any man

on the street. Of course nearly all the red line names were those of Conservatives. By this means Sir Wilfrid carried at least three seats in Manitoba, which would otherwise have gone Conservative. Less than two months after the elections Leach was appointed Inspector of Dominion Lands Agencies at $2,000 a year. This same Leach was in 1908 made chief officer for the distribution of Government seed grain with headquarters at Regina. The seed grain scheme so managed is chiefly intended to assist the Government party in Saskatchewan and Alberta, at the coming election.

SUTHERLAND, NEILSON, MOBERLY

The first was a Government farm instructor, the second a Dominion fishery inspector and the third performed various Government functions. In 1905 these three were sent out to hold polls several days journey north of Prince Albert. They went a short distance, and then sat down, wrote 151 imaginary names in a poll book, marked 151 ballots, all for the Government candidate, and returned without going within hundreds of miles of their district. This bogus vote gave the Government candidate his majority. The crime was discovered and the perpetrators arrested. They were represented by the Dominion crown prosecutor, pleaded guilty, were fined, and their fines were paid by a clerk in the Crown Prosecutor's office, presumably out of campaign funds. Moberly, who was represented by the Minister of the Interior as the instigator of the crime, was shortly afterwards in the pay of the Dominion Government.

H. A. LEMIEUX

This gentleman was in 1896 a customs officer at Montreal, salary $1,000. His son was the Liberal candidate in Gaspe and the father obtained leave of absence, went to a Magdalen Island poll where under the assumed name of Lamirande he acted as the sworn representative of his son, signing the documents and taking the oath and receiving the power-of-attorney in the above false name. Formal complaint was made to the Minister of Customs of this officer who refused to take action for two years and then declined to investigate because the matter was old. In the House Sir Wilfrid Laurier pleaded that Mr. Lemieux "travelled incognito like the Prince of Wales," and that the indiscretion might be viewed with leniency as due to paternal affection. It was so leniently viewed that H. A. Lemieux was made assistant inspector in 1901, and his salary was raised in the next five years to $1,500, $2,000, $2,250, and finally to $2,400.

SOME OTHERS.

Zacheus Hall, a Postmaster in Annapolis was found guilty of bribing voters in elections. He was convicted and fined but retained in office until the matter had been repeatedly brought up in Parliament.

W. L. Nichols, who was returning officer polled the votes of the forty passengers of the famous Minnie M., got the office of Indian Agent at the Sault at $1,000 a year.

D. F. McDonald, one of Mr. Preston's assistants, got the position of Indian Agent at Parry Sound, salary $900.

W. H. Hoppins, who had a share in the West Elgin machine operations, was made a customs officer at Parry Sound at $700.

"Poisoning the Wells"

From July 1st, 1896 to March 31st, 1907, the Government has spent:—

In advertising	$ 1,279,136
In printing, outside the Printing Bureau	4,391,183
Total	$ 5,670,319

Shortly before the change of Government, Sir Richard Cartwright made this statement:

"There Is One Act Which Even Among Savages and Barbarians is Looked Upon as Inhuman,—not to be tolerated even under the extremest exigencies of war, and **That is the Poisoning of the Wells** from which friends and foes alike must quench their thirst.

"But here in Canada we have a Government which does worse—which **Does Not Hesitate Deliberately to Poison and Corrupt the Very Sources of Information** from which alone the ordinary voter can learn how public affairs are being administered, and whether he is well or ill served by those to whom he must perforce entrust the guardianship of his interests, and I say that of all the corrupt acts of the Government, of **All the Signs of the Degradation and Debasement** of public opinion which are everywhere manifest, **There is Not One Act so Fraught with Evil Consequences, not one sign so significant of degradation, as the Manner in Which the Public Press Has Been Openly and Systematically Debauched Year After Year** with the full knowledge and, apparently, the full approbation of almost every class of the well-to-do supporters of the Government, and with very few evidences of any great disapproval even on the part of those who were not supporters."

THEN AND NOW

Sir Richard's charge was that the payments for printing and advertising were subsidies to the Conservative press. What is to be said now when the payments made to the Government press and are three or four times as large as before 1896. Here are the figures:—

	1896 Lib. Con.	1906 Liberal	In- crease	In- crease
Government Advertising.....	$ 42,713	181,911	139,198	p.c. 324
Government Printing, Outside Government Bureau.	189,320	689,796	500,476	263
Total.....	232,033	871,707	639,674	276

How far this great increase went for the benefit of the Govenrment press may be judged from the fact that in the year 1906 no less than $57,021 was paid to a single organ of the party, The Winnipeg "Free Press."

COSTLY INSPECTION

A few years ago an armoury was built at Sussex. Instead of engaging a mason or carpenter to inspect the work, the Government appointed a local tailor. This gentleman occasionally called on the mechanics on his way to and from meals. The contract price of the building was $4,700 and the work was completeed in four or five months. Over $1,900 was paid to this tailor for inspecting the $4,700 job.

Sweeping Condemnation

Royal Commission Convicts Government

Spoils System in Appointments, Promotions and Purchase of Supplies. Lack of Conscience in Marine. No principle except to spend as much as possible. Officers serving two masters. Favoured Contractors control the Department. A wasteful Militia Department. Staff sufficient for Army of 100,000. This is the verdict of Liberal Commission, selected by Ministers themselves.

Many charges have been made and proved in recent years against the administration on the ground of extravagance, of favouritism and corruption in contracts for supplies and services, of applying the spoils system to public appointments and promotions, of dishonesty in the disposal of the public domain, and of maladministration in the general conduct of the public service. Ministers and their supporters have pleaded that these are partisan attacks and slanders.

This plea has been suddenly swept away by the verdict of a tribunal created by the Government itself and composed of its own friends.

THE ROYAL COMMISSIONERS

In May, 1907, members of the civil service were pressing for larger salaries and improved conditions. Thereupon, Mr. Fielding recommended the appointment of three commissioners to inquire into the operation of the Civil Service Act, the classification, salaries, promotions, efficiency and retiring allowances of officers, and other matters relative to the service. The following were the commissioners appointed:

John M. Courtney, C.M.G., retired Deputy Minister of Finance.

Thomas Fyshe, of Montreal, former manager of the Merchants Bank of Canada.

P. J. Bazin, retired merchant of Quebec.

Mr. Courtney has been a public officer all his life in Canada and has no party sympathies. Mr. Fyshe is an ardent Liberal. Mr. Bazin is also a prominent member and office holder in the party.

These commissioners reported in March, 1908, after nine months investigation. While their report discusses civil service salaries and organization, it also deals with the efficiency and integrity of the public service. This part of the report was not expected. The Minister of Marine protested in Parliament that in taking up this question the commissioners went too far. (Hansard 1908, page 5621). His complaint is evidently due to the exposure of his own department. The public will not agree with the minister, but will rather regret that the investigation had not been carried farther. Even in the marine department the investigation covered a part of the business of one branch.

We shall allow the commissioners to speak for themselves. The following is in their own language, pages 13, 14, 15, 19, 24, 27, 28:—

SPOILS SYSTEM IN APPOINTMENTS

"Patronage seems to run more or less through every department of the civil service. It was the universal feeling amongst the officials who gave evidence that this patronage evil was the curse of the civil service. * * * The character and quality of the male candidates entering the service has declined. * * * Candidates who just fluked through the examination by means of greater political influence have received appointments over the heads of more worthy and better qualified candidates. * * * A recent appointment of a postmaster at Kingston was made on the recommendation of the patronage committee; the last appointment to the postmastership at Montreal, the most important in the Dominion, was given to a member of Parliament sixty-seven years old. * * * People have been brought in from the outside over the heads of men who have given their life-time to the departments. * * * **Promotions have been forced on departments** owing to political influence, the officials promoted doing the same work as they performed in the lower grade. * * * * In the outside service politics enters into every appointment. * * * The politics of the party is **of greater importance** in making appointments and promotions than the public interests of the Dominion. Those who have the political pull use it **for all it is worth."**

PATRONAGE AND PRICES

"The old-fashioned notions of frugality and living within one's means have to some extent been departed from, and instances have been found of departments giving orders for stores and other services to be delivered within a year in excess of the vote granted by Parliament. Large amounts have been spent for supplies bought from those enjoying political patronage at what may be called **retail rates.** Heavy expenditures have been incurred without necessary consideration or supervision. * * * The time has come when this practise of paying retail prices to a few **favoured merchants** in each locality should be discontinued. * * * The Auditor-General in his evidence pointed out that in one department he **did not believe in the certificates** received. This is a very serious affair. * * * In many instances **stores are ordered unnecessarily** and it may be doubtful if a good quality is always delivered. * * * Mr. Pottinger states that in his opinion the amount paid by the Intercolonial for coal was higher than it ought to be. * * * Stores have been received which **were not wanted,** and which it is difficult to get rid of. * * * In this connection your Commissioners respectfully beg to recommend that inquiry be made as to the working of **The Prevention of Corruption Act** of the Imperial Parliament passed in 1906, and **the bribery clause** in connection therewith." (Pages 24, 27).

MARINE DEPARTMENT CONDEMNED

The particular inquiry into the Marine Department was conducted by Messrs. Fyshe and Bazin, who say they "have to confess that the general conclusions which they have formed regarding the administration of the department **are most unfavorable.** It seems to have few redeeming features. * * * Organization, discipline, zeal for the public service and regard for economy are all **conspicuous by their absence."** (Page 37).

In their criticism the two commissioners say: "The work proceeds in a lumbering, haphazard way, giving rise to constant blundering and confusion. There is no sign visible of a single directing head or an intelligent purpose, unless it be that of **spending as much money as possible.** Zeal for economy and good management, or pride in the work is **not visible.** Perfunctory and mechanical discharge of the duties is the rule, with apparently no perception of any need of improvement.

"The lack of organization and of organizing power in the department has recently been very conspicuously and painfully illustrated by the fact that the accountant's or book-keeping branch had apparently fallen into such confusion that expert accountants had to be called in to put things to rights and create some intelligible system. After months of work by these highly paid experts the result has been at least greatly improved books as far as mechanical form is concerned, **but probably little else**; and this achievement has been accomplished at an **almost fabulous expense.**

"There is not only a lack of efficient organization and method in the department, there would also seem to be **a lack of conscience.** In connection with the enormous expenditures which are deemed necessary the word "discount" never appears. It is placidly assumed that there is no such thing; but the whole commercial world knows otherwise. If no one gets any benefit from trade with the Government except the trader, then it must be clear in these great purchases made for the Government, without discount, **its officers must be assisting the trader** to get better prices from the Government than he can get anywhere else; for everywhere else he has to give discount. In other words, some of the Government's officers are **serving two masters** and apparently succeeding with both, Scripture notwithstanding.

"It seems amazing that this question has never been courageously faced and dealt with. There is evidently a power in the hands of responsible officers of some of the departments which they can exercise without the necessity of giving any account of it and with the **most demoralizing consequences** all round. It is certain that under such a state of things it must be impossible to develop high character in the service, or rather to prevent the deterioration of what character there is." (Page 34).

These are Illustrations

One officer is quoted as stating that a saving of $25,000 per annum might be made in lighthouse expenditure by the Quebec agency alone. Again it is reported that $8,000 to $10,000 a year might be saved in one agency by buying at wholesale instead of retail rates.

The lighthouse board in two years approved of applications for aids to navigation amounting to $1,691,813. The Commissioners say that this board "has been the means of greatly increasing the expenditure of the department, and much of the increase has been wasted." (Page 36).

Among the matters mentioned is a large purchase of goods from "young Willie Walsh," representative for a Montreal firm recommended to the Quebec agency by two ministers, including the Minister of Marine. The result was that the department was overstocked, and the minister told the agent "to keep the goods and try to get rid of them to the best advantage." (Page 76).

P. E. Perreault, of Quebec, sold fire extinguishers. The agent at Quebec was ordered to buy from him what he wanted Perreault was afterwards employed by the Government, and the department took all his stock off his hands. Then it was discovered that the department had bought $9,000 worth of chemical extinguishers from another friend the year before, and had apparently forgotten all about them, though quantities were still stored awaiting demand. (Page 79).

There is a statement from the director of the Sorel ship-yard that the prices paid by the Government for supplies purchased at Quebec averaged fifty per cent higher and sometimes 100 per cent above that paid by the Sorel shops.

Dealings with Willson

Strong suggestions of corruption and favoritism are made by the commissioners respecting the dealings of the Government with the International Marine Signal Company of Ottawa, of which Mr. T. L. Willson is President. Mr. Willson established the business as a private concern, which was incorporated in December, 1906.

He had a patent for automatic low pressure acetylene gas buoys, and offered one for test in August, 1904. The department was quick to decide that they were better than anything else. In October, 1904, an order was given for 46 of these buoys at $2,000 to $5,000 each, $148,000 altogether, with Willson's imported material free of duty. There is fine sarcasm in the language of the commissioners on this transaction. They say:

"This was a good beginning for Mr. Willson, and with **the splendid facilities extended him by the department** he has not been slow to better it. It may seem that in taking up with the new idea so largely and so suddenly the department were hardly acting with the prudence required by the circumstances. New ideas are not apt to reach a perfect development all at once, and the most ordinary consideration would seem to have called for more caution." (Page 153).

The Royal commissioners observe that the lighthouse commissioner was "animated by very progressive ideas". Larger and more expensive types of buoys were introduced, and in July 1905, the recommendations of Mr. Fraser, endorsed by Mr. Prefontaine, called for $360,000. Mr. Wilson is represented as dominating the department, and addressing letters to the Marine and Fisheries agent at Halifax "in a style pretty much as if the latter were an employee of his own." The $360,000 order was given without an order-in-council, and, according to the Royal commission, "without apparently knowing where the buoys were required." (Page 156).

Captains of Government steamers and local departmental agents explained in vain that these large and costly buoys were unnecessary and unsafe. The commissioners charge that the department "pretend" not to understand. Buying goes on. The agent at British Columbia, repeatedly begged the department to forward no more until these were placed. Yet nine more were ordered within a week and then ten more within a few months. These cost $5,000 each, and were rushed forward until 10 beacons and buoys were on the C.P.R. wharf at once. After the agent had done his best to place them he had seven spare buoys on hand. The commissioners observe:

"The department is evidently determined to make the B.C. agency a dumping ground for all the buoys Willson **can wheedle them into buying whether they are wanted or not."** (Page 163).

Commissioners Fyshe and Bazin describe this

contractor as practically dominating the department. They say:

"It would almost look as if the International Marine Signal Company were regarded by the chief officers of the department as **a branch of the Department** of Marine and Fisheries and **a favoured one at that."**

Serving Two Masters

In June, 1907, the contracting company had an order from Brazil for a No. 11 buoy. It had none in stock, but the department had one lying idle at Prescott, which had cost $9,500. Mr. Willson easily induced the department to return it to him, take two $5,000 buoys in its place and pay him the difference.

Commissioners Fyshe and Bazin say:

"The eagerness of some of the officials of the department to serve the Company in this matter without consideration for the Government was quite remarkable." (Page 165).

The Willson buoy was recommended by the Ottawa officials to the United States Government, and to the Government of Great Britain at the same time that the agent at Halifax was pointing out many defects.

Down to March 31st, 1907, Willson's account for buoys and material amounted to $691,000 and he had sold the Government 174 buoys. By June 13th, 1907, the number had reached 201 and the bill $825,650. There were also 18 beacons which cost $1,500 each. During the autumn of 1907, 17 more buoys were ordered.

This transaction is one of several which the Royal Commissioners evidently had in mind when accusing the Department of Marine of "lack of conscience" of "spending as much money as possible" and of "serving two masters."

The Commissioners reflect severely ou the dealings of the department with Walberg and other favored contractors.

A Top Heavy Militia

The Royal Commission report on the Militia Department is made by the three commissioners. They say that the Militia expenditure was $3,500,000 in 1904 and that the estimates for 1909 call for $6,500,000. They object to the payment of $6,000 a year to an Inspector-General who "has only to report." They point out that whereas there are in all the other departments at Ottawa only two officials with salaries over $4,000, the Militia Department has the following: (Page 39).

Two at	$6,000
Three at	4,000
One at	5,200

The staff of district paymasters they find unnecessary.

There are 200 officers at headquarters and in the permanent corps.

The commissioners sharply criticise the increased militia expenditure which has nearly doubled in five years. They further conclude:

"That in addition to the general system of high pay the favored men of the militia service in Canada draw pensions not only for themselves but for their wives and children; that the staff is sufficient **for a corps of 100,000 men,** but the permanent corps are under 3,000; that the desertions have been one in three; that the number of militia trained in the annual camps is about 40,000; that the men attached to the rural battalions have no drill except at the annual camp and it is arguable whether the city corps are as efficient as they were some years ago. Whether with all the large expenditure of public monies the result, as detailed, show efficiency, your commissioners leave to the consideration of Your Excellency. Your commissioners have not gone deeply into the question of stores purchased for the militia service, as there is no means by which they could appreciate whether the amounts payable for sub-target guns or for Ross rifles are proper and just, but according to the evidence the contract for the Ross rifle was prepared by the counsel employed by the company and no security was exacted." (Page 42).

So report the three commissioners appointed by the Government. Remember that this is a statement of lifelong Liberals and friends of the minister. They would make the case no worse than it is. While they reflect strongly on one department there is no reason to believe that they would have found things better in the Public Works, or Interior, or Railways, or Agriculture, or any other spending department. Some of them are probably worse than the department of Marine. Let the electors take this verdict so far as it goes, consider it carefully, and decide whether they wish to continue the demoralization which the commissioners say has been steadily growing worse.

THE QUEBEC BRIDGE.

The history of the Quebec Bridge from 1889, when the first money was voted, to 1907, when the structure went to the bottom of the St. Lawrence, killing 80 men, is a series of Government blunders.

The company of which Mr. Parent, then Premier of Quebec, was president seems to have paid up in cash $48,700.

The Government stated, when $1,000,000 was voted as subsidy, that the bridge would cost $4,000,000, of which $1,550,000 was to be provided in Federal, Provincial and Municipal subsidies.

In 1903 the company had spent all the money it could get and was $779,000 in debt. It was then announced that the bridge would cost $8,000,000 and was to be part of the National Transcontinental system.

But, instead of taking over the work, completing it as a public enterprise, and supervising the plans and construction, the Government took power to guarantee $6,000,000 of bonds of the insolvent company.

Now the work is a wreck, **75** lives are lost, a Royal Commission, appointed by the Government, has reported that the collapse is due to imperfect design, and that a competent inspecting engineer on the ground would have foreseen the calamity and saved the lives of the men.

The people of Canada will have to pay for the new bridge and the cost of the old one. Their bill will now be $12,000,000.

Meanwhile the following sums have been paid in salaries to Mr. Parent and the other directors and officers. Mr. Parent, at the same time, receiving $10,000 a year from the Dominion as chairman of the Transcontinental Commission.

R. Audette	$ 5,635
V. Boswell	3,201
E. B. Dumoulin	2,000
H. Garneau	2,720
J. B. Laliberte	2,915
G. Lemoine	3,280
H. M. Price	3,505
J. Sharples	2,000
Hon. S. N. Parent	24,250
Secretary Barthe	16,890

Policy of Concealment.

Fight for Original Documents

How Conservative Battles for Publicity are Sometimes Won

Of all the Government policies the hardest to meet is the policy of concealment. Ministers in possession of records may deprive opponents of necessary information, and the majority in the House and Committees may choke off inquiry, and suppress evidence.

During the last three years a constant struggle has been necessary to bring out the facts regarding the conduct of public business. It was so with the Merwin contracts, the "Arctic" expedition accounts, the North Atlantic Trading Company deal, the Sub-Target affair, the timber limits, the general administration of the Marine Department, and the accounts presented by the Grand Trunk Pacific Company against the Government. The struggle against concealment culminated in the session of 1908 in two severe contests.

A Change of Programme

Until 1907-08 the right of a member to inspect documents relating to public business was admitted. It is usual to ask for copies, but originals are required where it is important to see the handwriting, postmarks, official stamps, endorsements, and where error in transcribing would be serious.

At the beginning of his ministry Mr. Oliver invited opposition members to consult the files of his department in their inquiry respecting western land transactions. This year there was a change. Mr. Ames was refused access to the papers and requested to move in the House for the documents he wished to see. But when he accepted Mr. Oliver's advice, Mr. Oliver himself requested the House to refuse the original papers.

January 23rd, 1908, Mr. Ames moved for the original application and tenders for three timber berths. At Mr. Oliver's request the motion was rejected by a party vote, though Mr. Ames explained why he required the papers and stated that he would only need them for half an hour.

The Opposition Insist

The Opposition did not allow the matter to rest there. On the 21st, Mr. Borden moved a resolution declaring :

"It is the undoubted right of the people's representatives in Parliament assembled to be informed of everything necessary to explain the policy and proceedings of the Government and for that purpose to have an opportunity of seeing and examining all documents connected with the transaction of public business ; and the denial of such right by the Government, justifies the refusal by this House of further supplies to the Crown."

This proposition the Government did not venture to dispute. Sir Wilfrid accepted the resolution, which passed unanimously.

It was then supposed that the papers would be brought down. But they were not.

Sir Wilfrid Votes Against Himself

On the 23rd January, on motion to go into supply the Opposition again raised the question, when Mr. Northrup moved an amendment that:

"Subject to such consideration of the public policy as can be validly urged in any case, members of Parliament have the right of access to all the records of the Government, and to all the archives."

This statement was taken verbatim from language used by Sir Wilfrid Laurier himself in the previous debate. Yet the Government and its majority voted down the motion.

The Government Surrenders

There was no course for the Opposition but to give up altogether the demand for the papers or to stop supply. Conservative members refused to accept the doctrine laid down and four times repeated by Mr. Fielding, that the right of members to see the records meant only such rights as the majority chose to allow.

So for the sittings of January 23rd and 24th, the House discussed supply but not an item was voted, and the Premier was given to understand that he could get no money until the required papers were produced.

The next sitting was Monday, January 27th, and when the House met Sir Wilfrid announced his surrender, stating that he had asked Mr. Oliver to bring the papers and place them on the table for the use of members who desired to examine them.

Information Gained

As a result of this victory other original applications were brought down in response to motions. From them it was discovered that bids for timber limits, supposed to be competitive, were made by the same person under different names. It was found that the two generally successful bidders had the same habit of not stating the amount of their tenders but of enclosing two or three cheques to represent it. It was learned that these cheques were always for such amounts that if one of them had been withheld, or were returned, there would be enough left to take the limit from any but the next highest bidder, suggesting that the additional cheque was the result of knowledge of other bids. These original papers were the means of disclosing the fact that the Imperial Pulp Company, which holds 417 square miles of timber limits, is no other than T. A. Burrows, M.P., brother-in-law of Mr. Sifton, by whom the limits were granted. By this means it was found that bids by A. W. Fraser, J. H. Nolan and John McBain were all tenders from the same Mr. Burrows or financed by him.

This is part of the value of an original document and was doubtless part of the reason for keeping it back.

Other originals obtained revealed the fact that supposed competitive tenders for dredging were in some cases made by collusion between pretended rivals, and sometimes by the same persons under different names.

Mr. Brodeur Taught a Lesson

The struggle for information in respect to Mr. Brodeur's European expenses, and concerning the Faleoner deal, involved a fifty-seven hour sitting of the House, that is from 3 o'clock on Thursday, February 27th, till 12 o'clock Saturday night. In this case Mr. Brodeur had promised to bring down all the accounts before asking for further votes for his department. The minister did not produce the statements on this Thursday, and yet insisted on having his vote, though other ministers had estimates prepared and could have proceeded while the Minister of Marine was getting his papers ready. Opposition members stood by the agreement, while stating that they were quite ready to forward any other business, or vote supply for any other minister in the meantime.

In the end no money was voted for the Marine department during these three days, and the minister brought down his accounts before the next sitting.

The report of the Royal Commission on Mr. Brodeur's department, and the ghastly account given by the New York accountants whom Mr. Brodeur hired at $75 per day to put his books in shape, show that the Opposition was abundantly justified in demanding full information.

The Royal Commission was not suspected of an intention to expose the offences of the department and so was not obstructed by the Government.

THE ARTIC OUTFIT.

The most wonderful outfit of clothing, provisions, liquors and tobacco ever heard of in Arctic exploration was that which the little steamer "Arctic" with her crew of 34 men carried into Hudson's Bay in the autumn of 1904. For these 34 officers and men the clothing bill was $23,998.76 or $700 for each of the 34 men, the police force being otherwise provided for. This outfit included:—

1 uniform at	$ 35.00
25 each	30.00
12 each	8.00
80 suits, pilot each	19.00
40 camel hair suits each	9.80
23 overcoats each	25.00
40 fur coats each	30.00
40 fur pants each	22.00
40 fur lined coats each	15.00
40 ulsters each	14.00
40 jackets each	5.50
40 leather jackets each	10.75
80 doz. shirts and drawers each	16.50
7 doz. shirts each	12.50
20 doz,. overshirts per doz	15.00
80 pyjamas each	1.50
10 doz. guernseys per doz	18.00
40 furlined pants each	3.50

The smoking outfit included:—

8,500 cigars from 10 cents down.
5,000 cigarettes.
805 lbs. tobacco at $1.34 per lb.
200 lbs " at 1.17 " "
2,200 lbs. tobacco at 53 cents to $1 per lb.

The liquor bill includes:—

10 cases of champagne	$320.00
5 cases of port	65.00
42 gals. spirits	179.00
112 gals. rum	461.00
10 cases brandy	120.00
15 gals. sherry	60.00
5 cases fine old crusted port, vintage 1878	60.00

The following analysis of the Arctic supplies is given in the minority report of the committee.

Total supplies purchased	$125,000.00
For clothing, over	23,000.00
For electric lighting	7,691.00
For medical supplies	4,827.00
For tobacco	3,500.00
For wines and liquors	3,000.00

Paid for 5,900 lbs. of Bovril, $1.65 per lb. when the same article could be bought for $1.10.

Paid for pemmican $1.25 per lb. for 8,000 lbs. when the foreman for the William Davis Company swore that his firm would have supplied the same article for 35 cents per lb.

Up to January, 1908, the Arctic cost the country $348,495.

What has she done?

Made three trips to the North.

Collected $500 from 5 whaling vessels.

Collected $900 customs duty.

Erected flags on thirteen small islands already under undoubted British domain to which no country in the world ever preferred a shadow of a claim.

Still the farce is continued.

Election Frauds

How the Laurier Government and its Provincial Allies have Encouraged, Protected and Rewarded the Perpetrators

In the sessions of 1906 and 1907 the Laurier Government promised in speeches from the Throne to introduce measures reforming the election law. Both promises were broken.

In the session of 1907 the government majority in Parliament, at the request of the Premier and his colleagues voted down a motion of Mr. R. L. Borden, declaring that legislation against electoral corruption and election fraud was necessary, and regretting that it had been delayed.

In the session of 1907-8 the Government promise was repeated, but it was not until Mr. George O. Alcorn, a Conservative member, had introduced a comprehensive and stringent measure for election reform that the Government took action. Then Mr. Aylesworth, brought down a measure containing some of the features of Mr. Alcorn's bill.

Conservative Platform

"The Liberal-Conservative platform demands effective provisions for the punishment of bribery and fraud at elections, to insure publicity as to expenditures; to prohibit election contributions by corporations, contractors and promotors; to make the trial of election petitions speedy and effective, and to punish offenders against the purity and fairness of the ballot."

By refusing legislation, by protecting and rewarding the perpetrators of ballot frauds and other election conspiracies, the Government and its allies in provincial administrations have steadily aided and encouraged this class of crime. Take the following examples:

Huron and Brockville

In the session of 1900 Mr. Borden charged that by-elections held the year before in Brockville and West Huron had been stolen by some form of ballot fraud. Sir Wilfrid at once gave his solemn pledge to do what he could to bring out the truth and to punish the criminals. The matter was referred to the Privileges and Elections Committee, where for weeks leading government supporters, the most conspicuous of whom have since been rewarded with office, exercised all their ingenuity and legal skill to frustrate the inquiry and delay its progress. Though conclusive evidence was produced of ballot manipulation at more than one poll the obstructors succeeded in delaying the finding until the end of the session. It was then agreed that the inquiry should stand over and be taken up at the session following. When the next session opened Mr. Borden produced a sworn affidavit of J. G. Pritchett confessing that he had instructed deputy returning officers in the art of switching ballots for the elections at West Huron and Brockville. But when Mr. Borden moved that the matter be again taken up in the committee Sir Wilfrid, in direct violation of his solemn pledge, opposed the motion and called upon his followers to vote it down. The excuse of the Premier was that he intended to appoint a royal commission and make a thorough investigation of election frauds throughout the country. No such investigation was ever held, and the occupants of

the stolen seats held them till the close of their term.

The Machine In West Elgin

In June, 1899, it was established by the sworn confession of the government candidate in West Elgin that in the election of January 12, Conservative ballots "were in some nefarious and corrupt manner manipulated," by persons sent from outside on behalf of the Liberal party. Some of these committed perjury and forgery by acting under assumed names in the place of local men as deputy returning officers. Hon. A. B. Aylesworth, now Minister of Justice, signed his name as a witness to this confession. W. T. R. Preston, organizer of this government campaign, was so proud of the performance that on election night, after the fraudulent vote was counted, he sent the following telegram to the candidate who had been counted in:

"Heartiest congratulations. Sorry from the bottom of my heart I cannot be with you to-night. To be supported by such a noble army of workers should make you the proudest man in Ontario. Shake hands with the boys for me and hug the members of the much abused threshing machine for Auld Lang Syne."

The very next day after this election had been stolen, and this telegram sent the Laurier Government made Mr. Preston Chief Commissioner of Immigration, with headquarters in London, at $3,000 salary, to which was added afterwards a free house and generous living expenses.

A Montreal Conspiracy

An organized conspiracy stole the by-election of St. James, Montreal, by wholesale personation, from Mr. J. G. Bergeron, the Conservative candidate. Though the poll books and ballot boxes furnished abundant evidence of fraud both the Federal and Provincial governments refused to prosecute. Mr. Bergeron and his friends were obliged to institute proceedings. They secured the conviction and imprisonment of one of the chief offenders and obtained a decree unseating and disqualifying the usurping member. By appealing against the disqualification alone this member continued to hold his seat. He voted with the Government in the house and was treated as a member of high standing with his party during the following session, after which the judgment was confirmed. Meanwhile the Government, with a considerate feeling of comradeship, had ordered the release of the convicted conspirator, almost at the beginning of his term of imprisonment.

This One Failed

Encouraged by this sympathy in high places, Government supporters in 1904 organized a like conspiracy to steal the St. Antoine seat in Montreal from the Conservative candidate, Mr. H. B. Ames. Warned by Mr. Bergeron's experience Mr. Ames was able to discover and defeat the conspiracy, and caused the arrest of the offenders in the midst of the machinery and equipment for their project. Here again the Federal and Provincial Departments of Justice stood aloof and left the candidate to bear the expense and trouble of the prosecution.

Trick Ballot Boxes

In the same year the trick ballot box scheme was devised. It is not known how many seats were won by this device, but the design was frustrated and exposed in Hastings and Frontenac. The Government candidates in these ridings were parties to the conspiracy, and one of them engaged a misguided youth who had false ballot boxes made at Watertown, N.Y., and who visited the Government organizer for the district on his travels to and from that town. The feature of this invention was a secret compartment into which the returning officer could, by turning the handle, throw Conservative ballots. Bogus Government ballots were substituted for those switched. This trick was discovered just in time to prevent its execution. Again the Departments of Justice under the Ross Government of Ontario and the Laurier administration were slow to act, so that the leaders of the conspiracy were allowed to escape from the country. When they were safe the criminal law was brought to bear upon the youth who has been made the instrument of the plotters, and who rejected the advice of his associates to get out of the country.

Rewards For All

In this year also the "thin red line" conspiracy in Manitoba disfranchised some 9,000 Conservative voters, capturing for the Government the seats for Provencher, Portage, Lisgar, and Selkirk. Within two months Mr. R. E. A. Leach, the chief perpetrator had been appointed by the Federal Government to a $2,000 office.

The Prince Albert election frauds in the election of 1905 were perpetrated by actual, former, and future Government employees. When these men were arrested their counsel was the agent of the Federal Department of Justice in their town. Their fine was paid by his clerk, and, at least one of the criminals has since been in the employ of the Dominion Government.

The Minnie M. conspiracy, a wholesale scheme of personation by a boat load of foreigners, was brought to the knowledge beforehand of the Ontario department of Justice. The head of that department refused to take steps to prevent it and did nothing to punish the criminals. Some of the persons connected with that nefarious plot have been rewarded by the Dominion Government with attractive offices.

The London Plot

Last and most striking of all is the London election conspiracy by which Hon. Mr. Hyman, then a Minister of the Crown, was elected in 1905. This impudent plot has been exposed and the offenders punished, because the Ross Government has disappeared from Ontario and is no longer able to protect this class of criminals. The persons convicted of wholesale bribery, combined with ballot manipulation, include election officers, some of the leading lights of the Liberal party in that district, and at least one favored contractor with the Federal Government. Among those who contributed effort and money to the cause of the machine in that campaign, are at least two other Government contractors, and certain high office holders in Liberal organizations in other cities.

It was proved in this trial that the London plot was but one incident in a general seat stealing conspiracy extending throughout the country; that for this purpose the Government machine had long maintained in regular employment certain instructors in the fine art of ballot switching; that it had a corps of trained ballot stuffers prepared to hold polls in suitable places; that it had paymasters to arrange financial terms, printers of bogus ballots and manufacturers of trick ballot boxes; that it had a regular scale of fees for different kinds of ballot manipulations, monthly allowances for criminals in exile, and a system of reward by public appointment and public rake-off.

Marine Book-Keeping

The Falconer Contract

The Marine and Fisheries staff at Ottawa has more than doubled in five years. The salaries were in 1907 (9 months) $88,840, or at the rate of over $118,000 a year. That should be sufficient to keep the books in order.

But in 1906 the Minister thought he needed an army of experts to put the books in shape. He employed for this purpose a New York concern, and at the end of March, 1907, he had paid $42,-062.85 to these bookkeepers who claimed $6,000 more. (Hansard 1907, page 511.)

In Mr. Brodeur's absence the acting Minister dismissed the whole imported force, but Mr. Richard's the chief of the New York accountants, testified that the work was only half done and about $50,000 more would be required to put it right.

The following are the wages paid by the people of Canada to some of these accountants:

	Per Day.
J. M. Gunn, New York	$75.00
W. B. Richards, New York	75.00
W. F. Russell, New York	50.00
George E. Fawcett, New York	50.00
Kenneth Falconer, Montreal	40.00
L. R. Acton, New York	30.00
F. H. Leland, New York	30.00
George Paré, Montreal	25.00
M. Cooley, New York	25.00
H. A. Marvin, New York	25.00

Besides these handsome wages the Government paid the book-keepers their travelling expenses from New York, and allowed them $5, $4 and $3 per day for living expenses in Ottawa, though the accountants were in some cases paying only $6 board per week.

WHERE ARE THE NEW MARKETS

The Liberals were to open up markets for farm products in the United States and other countries. Have they done so?

The British market is free as before, but no more so. The embargo against Canadian cattle remains, and will be harder to remove because of our freer quarantine relations with the United States.

The United States duty on our farm products is still prohibitive.

The German market, which would take millions of our farm prducts, has been absolutely closed to Canada by the surtax added to the high tariff.

The West Indies have raised their duties against us in spite of our preference to them.

The Government has made a treaty with France. Part of the price paid is allowing twelve other countries to get their products into Canada at the reduced rate given to France, these countries giving us absolutely nothing in return.

Canadian grain gets no lower duty from France by this treaty, and our farmers must pay on animals sent to France $18 to $27 on cattle, $30 on horses, 2 and 3 cents per pound on fresh meat, 2 and 3 cents on butter and cheese.

In 1896, Sir Wilfrid promised to seek a mutual preference from Great Britain. In 1897 he told British statesmen that Canada wanted no return preference. In the Colonial Conference of 1907 he refused to join Australia, New Zealand, South Africa and Natal, to support a general Imperial preference. Thus Sir Wilfrid has weakened the hands of Mr. Chamberlain and the friends of true mutual trade preference in the Empire.

The Government cannot point out a single foreign market in which they have obtained for Canada better terms than the Country had in 1896.

WASTED MONEY

Here are a few bills for which the country has no value.

The Prohibition Plebecite of 1898 cost	$ 197,932.79
The "Arctic" expeditions	
Damages paid Mackenzie & Mann for failure to carry out their Yukon Railway scheme	283,323.55
Alleged Insurance investigation	95,342.31
North Atlantic Trading Company for pretending to send immigrants	367,245.85
Reciprocity negotiations, first series	38,747.00
Bell Telephone investigation, no result	10,108.00

FISHER AS A CHICKEN FATTENER

One of Mr. Fisher's supporters in the House has stated that "a farmer is a man who works the farm and an agriculturist is a man who works the farmer." Mr. Fisher is an agriculturalist. In that capacity the Minister set about to show farmers how to make money by fattening chickens. The Auditor's report for 1907 (D. 45) shows how he did it. There are seven stations where the business was carried on and the following is the return:—

	Expenses	Proceeds
Andover, N.B.	$ 258.83	$ 103.25
Bondville, Que.	713.40	380.77
Bowmanville, Ont.	388.83	52.42
Chicoutimi, Que.	319.66	178.36
Holmesville, Ont.	236.64	90.13
Vernon River, P.E.I.	440.91	146.07
La Trappe, Que	240.31	286.24
Total	$2,598.58	$1,237.24
Loss	$1,361.34	

Only a political agriculturalist with the power of taxation behind him can afford to fatten chickens at this rate.

A DECLINING INDUSTRY

Mr. Fielding boasts that Canadian industries are flourishing under present Tariff conditions. A return brought down by the Government respecting the woolen industry contradicts this claims Industrial censuses were taken in 1901 and 1905. They gave the following return of hands employed in woolen manufacture:—

1901	6750
1905	4587
Decrease	2163

Trade returns show the quantity of wool imported for manufacture:

1897–98	11,785,899 lbs.
1907–08	6,129,216 "
Decrease	5,656,683 "

The importation of manufactured woolen goods increased in value as follows:—

1897–98	8,115,909
1907–08	21,213,234
Increase	13,097,325

The Faithful Rewarded

According to Liberal Doctrine these Four Score were a "Corrupt and Corrupting Influence"

When in opposition the Liberals strongly condemned the appointment of members of Parliament to positions of emolument. The seeking of office by members and the promise of office to them by Ministers constituted, they declared, a menace to Parliamentary independence, and a means for easy and widespread political corruption.

A resolution was introduced by Mr. Mulock prohibiting the appointment of M.P.'s during the term for which they were elected or for three years thereafter.

Such were their professiovs; what was their practice?

Since assuming office the Laurier Government has bestowed fat offices upon at least 75 members and ex-members of Parliament and provided salaries therefor involving the sum of $350,000 annually.

Here follows a list:

Name	Constituency	Office	Salary
F. G. Forbes	Queen's N.S.	Judge County Ct.	$3,000
C. R. Devlin	Wright	Immigration Agent	3,000
J. B. Fiset	Rimouski	Senator	2,500
F. Bechard	St. John's, Que.	Senator	2,500
J. Lavergne	Drummond	Judge Super Ct.	7,000
George C. King	Queen's, N.B.	Senator	2,500
M. C. Cameron	West Huron	Lt. Gov. N.W.T.	7,000
John Yeo	Prince, P.E.I.	Senator	2,500
Joseph Godbout	Beauce	Senator	2,500
J. F. Lister	West Lambton	Judge Ct. Ap.	5,000
F. X. Choquette	Montmagny	Judge Super. Ct	4,000
A. M. Deschene	L'Islet	Senator	2,500
J. H. Legris	Maskinonge	Senator	2,500
F. C. Langelier	Quebec Centre	Judge Super Ct.	8,000
W. C. Edwards	Russell	Senator	2,500
C. I. Rinfret	Lotbiniere	Insp. In. Rev.	2,500
John V. Ellis	St. John	Senator	2,500
C. Beausoleil	Berthier	Postmaster, Montreal	4,000
O. Desmarais,	St. James, Montreal	Judge Super Ct.	4,000
George McHugh	Victoria, S.	Senator	2,500
Arch Campbell	Centre York	Senator	2,500
N. Belcourt	Ottawa	Senator	2,500
Hon. John Costigan	Victoria, N.B.	Senator	2,500
Sir L. H. Davies	Queen's, P.E.I.	Judge Sup. Ct. Can.	9,000
E. M. Britton	Kingston	Judge K. B.	7,000
Thomas Fortin	Laval	Judge Super Ct.	7.000
James McMullen	North Wellington	Senator	2,500
C. Piche	St. Marys, Mont	Magistrate	
Robert Watson	Portage	Senator	2,500
William Stubbs	Cardwell	Vet. Officer	1,200
William Hutchison	Ottawa	Com. of Fairs	3,000
Robert Beith	West Durham	Senator	2,500
J. A. C. Madore	Hochelaga	Judge Super Ct.	5,000
H. C. Carroll	Kamouraska	Judge Super Ct.	4,500
A. A. Bruneau	Richelieu	Judge Super Ct.	5,000
L. N. Champagne	Wright	Judge Super Ct.	5,000
D. C. Fraser	Guysboro	Judge Sup. Ct.	4,000
		Lt. Gov, N.S.	9,000
George Landerkin	S. Grey	Senator	2,500
B. Russell	Hants	Judge Sup. Ct.	6,000
John Lovitt	Yarmouth	Senator	2,500
H. Bostock	Yale	Senator	2,500
A. Morrison	New Westminster	Judge Sup. Ct.	6,000
Sir. R. Cartwright	S. Oxford	Senator	2,500
M. E. Bernier	St. Hyacinthe	Railway Com.	8,000
F. B. Wade	Annapolis	Railway Com.	8,000
Hon. A. G. Blair	St. John	Railway Com.	10,000
T. O. Davis	Prince Albert	Senator	2,500
J. M. Douglas	East Assin	Senator	2,500
A. Malouin	Quebec Cent.	Judge Super. Ct.	5,000
Sir W. Mulock	N. York	C. J. Ex. Ct.	8,000
C. F. McIsaac	Antigonish	Railway Com.	8,000
T. F. Frost	Leeds	Senator	2,500
William Ross	Victoria, N.S.	Senator	2,500
W. V. Pettet	Prince Edward	Postmaster	2,500
P. Talbot	Strathcona	Senator	2,500
B. D. Mackenzie	Cape Breton	Judge County Ct.	3,000
D. Derbyshire	Brockville	Senator	2,500
Hon. C. Fitzpatrick	Quebec Cy	Chief Jus. Can.	10,000
A. H. Gillmor	Charlotte	Senator	2,500
T. B. Flint	Yarmouth	Clk of Commons	3,700

F. A. Laurence	Colchester	Judge Sup. Ct.	6,000
William Lount	Cen. Toronto	Judge H. C. Jus	6,000
H S Harwood	Vaudreuil	P. M. Montreal	4,000
D. A. McKinnon	Queen's, P.E.I.	Lt. Gov.	7,000
J. B. Ross	Yukon	Senator	2,500
L. P. Demers	St. Johns, Que.	Judge Super Ct.	5.000
Wm. Gibson	Lincoln	Senator	2,500
J. G. Rutherford	Macdonald, Man.	Veterinary Director	4,000
George Riley	Victoria, S.	Senator	2,500
William McGregor	N. Essex	Collector of Customs.,	1,800
James N. Grieve	N. Perth	Immigration Agent	1,800

SENATORS WHO HAVE TAKEN OFFICE

J. B. Snowball	Lieut. Gov. N.B.	$9,000
A. R. McClelan	Lieut. Gov. N.B.	9,000
Str Oliver Mowat	Lieut. Gov. Ont	10,000
T. R. McInnis	Lieut. Gov. B.C.	9,000
Hon. David Mills	Judge Sup. Ct. Can.	7,000

Liberal-Conservative Platform

Laid Down by R. L. Borden, M.P., Opposition Leader, at Halifax, August 20th, 1907.

PUBLIC FINANCE

1. Honest appropriation and expenditure of public moneys in the public interest.

APPOINTMENT BY MERIT

2. Appointment of public officials upon considerations of capacity and personal character and not of party service alone.

HONEST ELECTIONS

3. More effective provisions to punish bribery and fraud at elections, to ensure thorough publicity as to expenditures by political organizations; to prevent the accumulation of campaign funds for corrupt purposes and to prohibit contributions thereto by corporations, contractors and promoters; to expedite the hearing of election petitions and to prevent collusive arrangements for the withdrawal or compromise thereof; to provide for a thorough investigation of corrupt practices, and if necessary to appoint an independent prosecuting officer charged with that duty, to simplify the procedure therefor and to enforce the laws so amended.

CIVIL SERVICE REFORM

4. A thorough and complete reformation of the laws relating to the Civil Service so that future appointments shall be made by an independent commission acting upon the report of examiners after competitive examination.

REFORM OF THE SENATE

5. Such reform in the mode of selecting members of the Senate as will make that chamber a more useful and representative legislative body.

IMMIGRATION

6. A more careful selection of the sources from which immigration shall be sought, a more rigid inspection of immigrants and the abolition of the bonus system except under very special circumstances and for the purpose of obtaining particularly desirable classes of settlers.

PUBLIC LANDS AND FRANCHISES FOR THE PEOPLE

7. The management and development of the public domain (in which are to be included great national franchises) for the public benefit and under such conditions that a reasonable proportion of the increment of value arising therefrom shall inure to the people.

NON-PARTISAN MANAGEMENT OF GOVERNMENT RAILWAYS

8. The operation and management of our government railways by an independent commission free from partisan control or influence.

NATIONAL PORTS, TRANSPORTATION AND COLD STORAGE

9. The development and improvement of our national waterways, the equipment of national ports, the improvement of transportation facilities and consequent reduction of freight rates between the place of production and the market whether at home or abroad, and the establishment of a thorough system of cold storage.

A PUBLIC UTILITIES COMMISSION

10. The reorganization of the present Railway commission as a Public Utilities commission with wider powers and more extended jurisdiction, so as to establish thorough and effective control over all corporations owning or operating public utilities or invested with franchises of a national character.

PUBLIC TELEGRAPHS AND TELEPHONES

11. The establishment, after due investigation, of a system of national telegraphs and telephones under conditions which shall be just to capital already invested in those enterprises.

IMPROVED POSTAL FACILITIES

12. The improvement of existing postal facilities, especially in newly developed portions of the country and the inauguration, after proper inquiry as to cost, of a system of free rural mail delivery.

TARIFF POLICY

13. A fiscal policy which will promote the production within Canada of all useful articles and commodities that can be advantageously produced or manufactured from or by means of our natural resources, having due regard to the interests of the consumer as well as to the just claims of our wage-earning population.

IMPERIAL PREFERENCE

14. The promotion by negotiation, legislation and other constitutional means of a system of mutual preferential trade within the Empire.

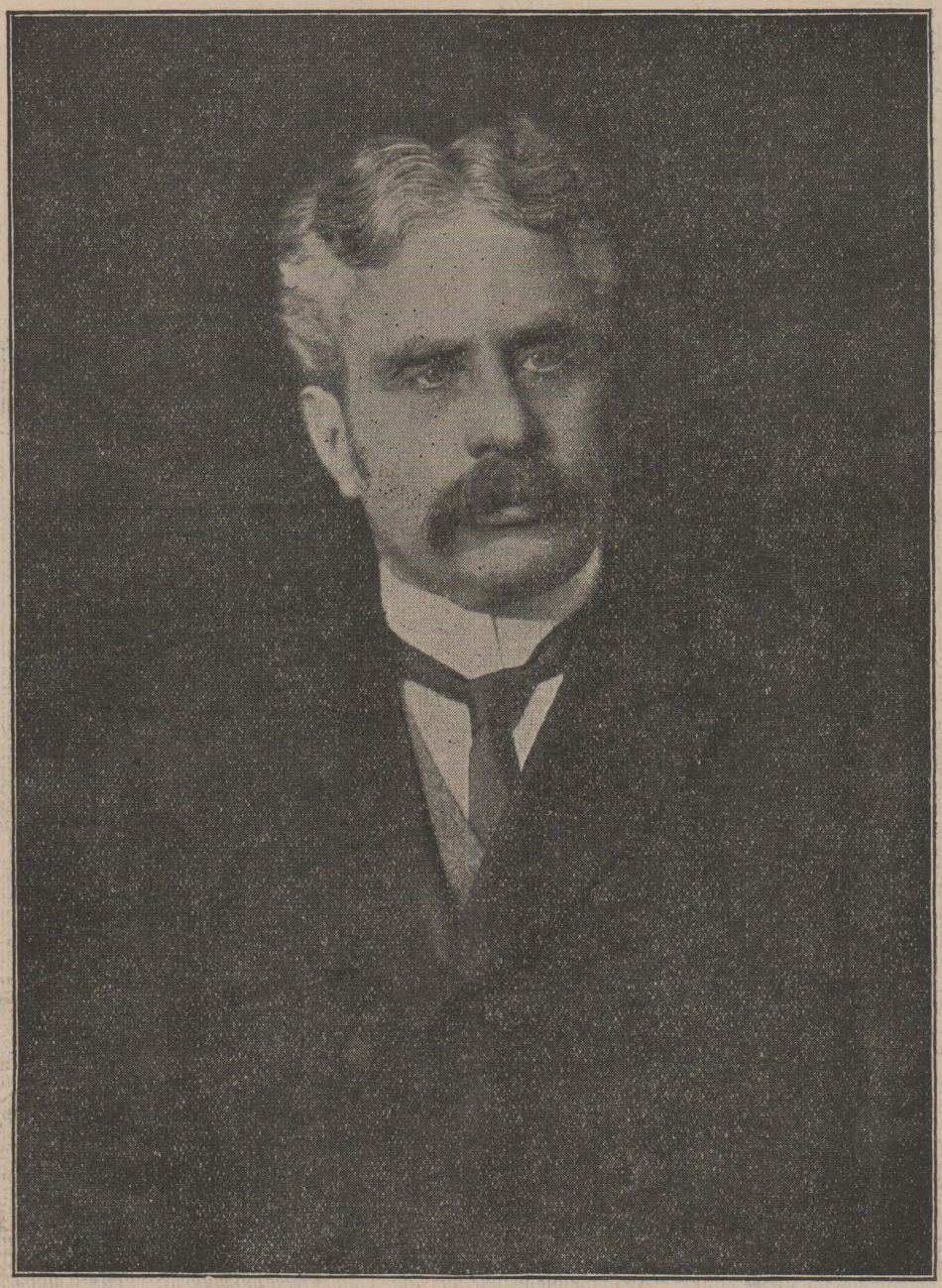
JUSTICE TO THE NEW PROVINCES

15. The restoration of the public lands to the Provinces of Alberta and Saskatchewan upon fair terms.

PROVINCIAL RIGHTS

16. The unimpaired maintenance of all powers of self-government which have been conferred upon the Provinces of Canada under the constitution.

COMPLIMENTS
RICHARD BLAIN, M. P.



R. L. Borden.